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PRESS COVERAGE OF OIL-RELATED ACTIVITIES

Cals Divulges Energy Budget

Rio de Janeiro JORNAL DO BRASIL in Portuguese 6 Dec 80 p 14

[Text] Mines and Energy Minister Cesar Cals said yesterday he was prohibiting PETROBRAS [Brazilian Petroleum Corporation] from continuing to disclose monthly data on consumption, importation and production of petroleum because "the public doesn't have to know about this. All they have to know is that supplies are adequate." According to the cabinet minister, there have been many disparities in the figures furnished "because each person computed them in his own way and the differences were upsetting the public"; hence, his decision.

Cesar Cals also declared that petroleum imports would not cost more than \$9 billion in 1981, with an average purchase of 750,000 barrels a day, "which will represent a saving of \$2.5 billion." When reporters insisted upon knowing how it would be possible to pay an average of only \$33 a barrel next year, the minister replied that "the magic is in the vest pocket." And he added: "When 1981 is over, you can come to me if petroleum imports cost more than \$9 billion."

Investments

The forecast of Mr Cesar Cals for 1981 is that in January domestic petroleum production will reach 230,000 barrels a day; that of alcohol, the equivalent of 50,000 barrels; and that of coal, 20,000. By December, he said, those figures will become 280,000 barrels a day for petroleum, 80,000 for alcohol and 36,000 for coal. Regarding consumption he said "we will try to keep it at 1,100,000 barrels a day."

According to the request sent by the energy ministry to SEPLAN [Planning Secretariat], the PETROBRAS investment budget for petroleum exploration and development in 1981 will be 170 billion cruzeiros. That of the Rio Doce Valley Company will be 120 billion cruzeiros and that of NUCLEBRAS [Brazilian Nuclear Corporations], 50 billion cruzeiros. The mines and energy minister confirmed that his ministry's overall budget (investments plus operating expenses) for next year will be less than this year's, in nominal terms. But he asserted that the reduction is all in operating expenses, "since we are going to save \$2.5 billion in petroleum purchases."

Regarding investments in the electric-power sector, Cesar Cals said that construction of Itaipu and its transmission line, Tucuruí, nuclear power plants and the North-Northeast grid will not be cut back, as they have priority. The others will have a real increase of 5 percent.

Coal

The minister denied that there has been a shortage of funds this year for the coal program. He said that no funds were released for mining because no projects were approved, "due to problems of title registration for the mines in the National Department of Mineral Production." He said funds were released for marketing, so that "the 240,000 tons sold in January increased to 360,000 tons in November." In regard to gasification, he cited the projects for which protocols of intent have been signed--two in Santa Catarina and one by PETROBRAS in Sao Jeronimo, Rio Grande do Sul--and that of the Rio de Janeiro State Gas Company, whose protocol should be signed this month. The gasification project for COMGAS, of Sao Paulo, is being studied.

Petroleum and Foreign Debt

Rio de Janeiro O GLOBO in Portuguese 6 Dec 80 p 21

[Article by Shigeaki Ueki, president of PETROBRAS: "Petroleum and Foreign Debt"]

[Text] The abrupt and arbitrary increase in petroleum prices beginning late in 1973, from \$3 to \$11 a barrel, caused a profound change in the world economy, aggravating further the international economic and financial disequilibrium that had been becoming apparent since the end of the 1960 decade.

As a result, energy assumed a preponderant role in national development strategies, with special emphasis on nations in a stage of economic development and dependent upon petroleum imports due to the high growth rate of energy consumption, an identifying characteristic of their stage of development.

Adjustment of such economies to the new international situation became quite difficult, as, besides the impact from increased petroleum prices, they also suffered the effects of the recession and the policy of balance-of-payments equilibrium pursued by the industrialized countries--protectionism and passing on increased petroleum prices through the prices for their export goods.

In Brazil, due to its being a developing nation, energy consumption is difficult to restrict, bearing in mind the need for expanding its economy in keeping with its growing labor force and the national objective of reducing the distance that separates us from more advanced countries.

Thus, faced with the new conditions of the international economy, the nation found itself forced to readjust strategies and plans. In the 1974-77 period, policies for expanding and diversifying exports, import substitution and reduction of dependency on foreign energy sources, together with a certain stabilization of the real price of petroleum, contributed decisively toward Brazil's recovering equilibrium in its trade balance in 1977.

The investments required to maintain a minimum growth rate now required a greater share of foreign savings to supplement domestic capital formation.

It was thus possible for the nation to develop at an average annual rate of 7 percent (in PIB [gross domestic product]), although aided by the size of foreign

resources, which in turn were made possible by the nation's vitality and its credibility in international financial markets. As a result, the net foreign debt increased from \$6.2 billion in 1973 to \$24.8 billion in 1977.

It should be mentioned that during this same period, although the value of exports doubled, the net foreign debt/export ratio rose from 1 to 2.

Just when the world seemed to be returning to the previous state of equilibrium, with almost complete disappearance of surpluses in the current account of OPEC member countries, the situation again worsened in 1979. Another hike in petroleum prices, from \$12 to \$32 a barrel in 1980 in a little more than 1 year, caused significant deficits in the current account of petroleum-importing countries, requiring a higher level of foreign debt, partly to meet commitments made previously, at a higher cost because of increased interest rates, which reached unprecedented heights.

It is noted that the absolute increase in the price of oil was almost \$20 a barrel, without the corresponding fanfare, if compared to the \$8 increase during the much-discussed petroleum crisis of 1973.

It is important to point out that the new situation cannot be stated merely in terms of foreign trade or a policy of energy substitution, which requires a reasonable period of time to be carried out. In the short and intermediate term the question is directly linked to recycling international financial resources and our capacity to attract them.

Within such a context, understanding the nature of the Brazilian foreign debt requires use of concepts other than the traditional ones to learn its real content. One of the most obvious ways would be to evaluate foreign obligations in terms of the very unit that has been creating the new international economic order: petroleum.

In 1970 the net debt was about \$4.1 billion and corresponded to 2.7 billion barrels of oil at the import prices then prevailing. Our present debt, \$50 billion, corresponds to 1.563 billion barrels of petroleum, implying a decrease of more than 40 percent.

Another form of analysis shows that Brazilian reserves of recoverable oil and gas at the end of 1970 (1 billion barrels) represented about 1/3 of the net debt at the time, whereas in June 1980 these reserves (1.582 billion barrels) surpassed the existing debt, calculating always in terms of barrels of petroleum.

Although, in themselves, the National Economic Patrimony and its annual flow--the world's eighth largest gross domestic product--put us in a favorable position, the current situation suggests a comparison in terms of what could be agreed upon as the most recent international monetary standard--petroleum--a comparison that, as we saw, also gives a favorable result in regard to our possibilities for continued access to the world financial system.

(1) ANOS	(2) DÍVIDA EXTERNA US\$ milhões			(6) FOB MEDIO DE IMPORTAÇÃO DE PETRÓLEO US\$/BARRIL	(7) DÍVIDA LÍQUIDA EXPRESSA EM MILHÕES DE BARRIS DE PETRÓLEO	(8) RESERVA NACIO- NAL DE HIDRO- CARBONETOS EM MILHÕES DE BARRIS	(9) RELAÇÃO RESERVA/ DÍVIDA LÍQUIDA (%)
	BRUTA (3)	RESERVAS (4)	LÍQUIDA (5)				
1970	3 204	1 186	4 108	1,81	2 721	1 033	38
1971	6 822	1 723	4 899	1,88	2 606	1 031	39
1972	9 521	4 183	5 338	1,90	2 682	963	36
1973	12 582	6 418	6 164	2,79	2 210	937	42
1974	17 186	3 289	11 897	11,10	1 072	944	80
1975	21 171	4 040	17 131	10,48	1 633	946	38
1976	25 985	6 344	19 441	11,90	1 881	1 081	65
1977	32 037	7 236	24 781	12,31	2 013	1 363	68
1978	43 811	11 885	31 616	12,44	2 841	1 423	56
1979	48 904	9 889	40 213	17,11	2 390	1 848	60
1980	56 360	6 300	50 060	32,00	1 583	1 582 (*)	101

Brazil: Foreign Debt in Terms of Petroleum

Key:

1. Years
2. Foreign Debt
(millions of dollars)
3. Gross
4. Reserves
5. Net
6. Average Import Price of Petroleum
(dollars FOB per barrel)
7. Net Debt Expressed in Petroleum
(millions of barrels)
8. Domestic Hydrocarbon Reserves
(millions of barrels)
9. Ratio of Hydrocarbon Reserves/Net Debt
(percentage)

Petroleum Production Up

Rio de Janeiro JORNAL DO BRASIL in Portuguese 13 Dec 80 p 17

[Text] Brazilian petroleum production increased 11 percent in the last 11 months compared to the same period last year--although onshore production fell 1.5 percent during the period--resulting in average daily production of 188,000 barrels.

Despite the accident to the processing tower of the Garoupa Provisional System in September, reducing daily production by 39,000 barrels, the Campos platform increased its production from 13,185 barrels a day to 18,416 barrels a day.

Production Trend

Onshore, Bahia was the state where production was reduced the most, falling from 27,350,213 barrels in the January-through-November period last year to 25,250,882 barrels in the corresponding period this year.

Offsetting that, petroleum production from Espirito Santo onshore basins increased 150 percent, from 629,946 barrels during January to November 1979 to 1,580,737 barrels this year. Meanwhile, in Rio Grande do Norte and Sergipe onshore production decreased in November as compared to October.

On the continental shelf, production increased 36.4 percent, comparing January through November last year with this year. The producing state with the largest increase was Rio de Janeiro, with 95 percent, followed by Rio Grande do Norte, with 36 percent. However, Sergipe, Bahia and Ceara had reduced production on the continental shelf.

Options for Managing Reserves

Rio de Janeiro GAZETA MERCANTIL in Portuguese 10 Dec 80 p 8

[Article by Mateus Kocowicz: "Options for Managing Reserves"]

[Text] Had the Brazilian government adopted the policy of preserving its petroleum reserves when petroleum was costing a little more than \$1 a barrel on the international market, the nation would have had reserves of 2.9 billion barrels by the time prices began to skyrocket. Reserves of that magnitude would permit a daily production of 800,000 barrels. But, of the total of 2.9 billion barrels, 1.3 billion barrels have already been produced, so that Brazilian reserves of petroleum and gas were 1.58 billion barrels on 30 June, representing an increase of 1.8 percent over the position of December 1979, after discounting production of 189,600 barrels a day during that period.

The increase of reserves, which is the difference between recoverable petroleum identified by new discoveries during a given period and production during the same period, after clearly decreasing between 1960 and 1975, began to rise again after that.

In 1960 reserves totaled 563 million barrels. Five years later they were 791 million barrels, which represented an increase of 7.04 percent a year, compounded. At the end of the next 5 years the volume of recoverable oil and gas totaled 1.025 billion barrels, which represented an annual growth rate of 5.31 percent. Then through the end of 1975 reserves fell at the rate of 1.58 percent a year, to 946 million barrels. During the last 4 and 1/2 years the exploratory effort had the result of raising reserves to 1.582 billion barrels, which represented an annual growth rate of 12.11 percent, or 5.88 percent each 6 months, compounded. Hence, the results shown during the 6-month period ending in June 1980 were far less than the average for the period, marked especially by the substantial discoveries in the Campos Basin.

The results obtained by Esso off the southern coast of Bahia had already been expected by several PETROBRAS geologists who have some experience in the area. The state enterprise has drilled three wells near Esso's 1-BAS-62, which at first showed signs of oil and then produced fresh water. One of them, 1-BAS-19, located 6 kilometers to the north, recovered water; 1-BAS-13, which is 8 kilometers to the south, was dry; and 1-BAS-36, 18 kilometers to the south, had a noncommercial reserve of gas.

Tests at the Barreirinhas well in Maranhao continue to arouse optimism among technicians.

Prospecção Petrolífera no Brasil (em 8/des/80)									
Posição das Perfurações Terrestres (1)					Contratos de Risco (6)				
(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Banco	Pozo	Profund (m)	Situação	Equipamento	Companhia	Pozo	Profund (m)	Situação	
SC-85	9.22.4-AM	1.225	operando	Key Gibraltar	Soto	1-BA5-42	808	avaliando	
SM-1	1-IP-1-AM	—	DTM	Middlestown	CINCO	1-MA5-12A	3.933	operando	
SM-2	1-TU-1-BA	—	DTM	IP-1	Paulipetro	2-AA-1-SP	3.493	operando	
SM-6	1-BA-3-MA	4.230	avaliando	IP-2	Paulipetro	3-TB-1-SP	3.841	operando	
SC-35	1-RCH-1-SC	—	DTM	Sedco-703	Marathon	1-AP5-45B	1.743	operando	
SC-36	7-LP-10-ES	1.498	testando	IP-3	Paulipetro	3-PN-1-SP	1.427	operando	
SC-40	7-LP-11-ES	1.005	operando						
SC-83	7-RBN-10-ES	—	DTM						
SC-94	1-GMB-1-RN	929	operando	Perfurações Marítimas (9)					
SC-91	7-B1-31-ES	—	DTM	(10)	(11)	(12)	(13)	(14)	(15)
SC-84	3-F1-5-RN	764	operando	Código	Equipamentos	Pozo	Profund (m)	Situação	
AD-1	7-AR-160-BA	3.785	operando	PA-1	Petrobrás I	1-BS5-43	3.347	operando	(11)
AD-2	7-AR-162-BA	309	operando	PA-4	Petrobrás-63	7-SD-160-RJS	1.905	operando	
AD-3	7-AR-161-BA	1.726	operando	PA-11	Heptane Gascoque	1-BS5-37C	1.937	operando	
AD-4	7-AR-159-BA	3.731	operando	SS-1	Zephyr-II	1-RJS-124B	3.465	operando	
SC-34	3-B1-9-BA	1.790	operando	SS-7	Petrobrás-75	1-RJS-151	3.451	operando	
SC-43	7-MG-399-BA	1.005	operando	SS-8	Petrobrás-71	1-RJS-132	3.834	operando	
SC-38	4-CA-6-BA	480	operando	SS-9	Mosk Phoenix	1-RJS-157	3.48	operando	
SC-46	7-RO-50-BA	654	operando	SS-11	Zephyr-I	1-RJS-155	—	DTM	
SC-73	1-SSG-1-BA	3.308	operando	SS-13	Marlin-VII	—	—	operando	(12)
SC-77	4-S1-8-BA	3.327	operando	MS-2	Ocean Cyclone	1-RJS-118A	—	avaliando	
SC-78	7-GS-11-BA	1.471	operando	MS-3	Petrobrás-8	3-RJS-140B	—	DTM	
SC-79	7-BA-31-BA	1.848	operando	MS-4	Idemaran	4-RJS-154	3.422	operando	
SC-80	7-SB-9DA-BA	3.190	operando	MS-5	Inter Discoverer	1-RJS-154-B	1.841	operando	
SC-81	7-B-103A-BA	1.700	operando	MS-6	Inter-324	1-RJS-147	1.873	operando	
SC-95	4-ROV-14-BA	755	operando	PA-18	Union	1-PA5-11	—	DTM	
SC-36	7-SMC-30-A1	3.307	operando	NT-5	Progress Rig-93	7-BA-4D-CB3	919	operando	
SC-40	3-FU-45-A1	1.081	operando	PA-7	Key West	1-CB5-44	3.878	operando	
SC-41	7-TG-4-GT	—	DTM	PA-9	Petrobrás-IV	4-RHS-35	3.412	operando	
SC-44	7-CP-531-SE	—	DTM	PA-10	Marlin-IV	7-UB-43-RHS	—	DTM	
SC-30	1-SF-1-A1	3.285	operando	PA-14	Key Blombyne	1-CB5-50	1.500	operando	
SC-74	7-RO-230-10	295	operando	SC-87	(PUB 3)	7-UB-43D-RHS	3.364	operando	
SC-75	7-SZ-191-SE	440	operando	SC-88	(PUB 3)	7-UB-44D-RHS	3.700	operando	
SC-76	9-CP-538-SE	748	operando	PA-16	Montreal-III	1-CB5-42A	3.470	avaliando	
SC-85	7-CP-537-SE	789	operando	PA-13	Damago	3-CB5-47A	418	operando	
SC-86	9-CP-540-SE	376	operando	PA-3	Petrobrás-39	1-RHS-38	3.401	operando	
SC-92	7-CP-539-SE	407	operando	PA-16	Petrobrás-V	1-BS5-53	4.003	operando	
SM-3	1-MB-3-A1	1.150	operando	PA-17	Natcha-I	1-AL5-15	1.710	operando	
SC-37	9-AG-307-BA	589	operando	NT-4	Delta-9	7-CM-35D-585	3.170	DTM	
SC-41	7-C-197D-BA	283	operando	PA-13	Petrobrás-III	3-BA5-41D	—	avaliando	
Fonte: Petrobrás (14)									

Petroleum Exploration in Brazil (on 8 December 1980)

Key:

- | | |
|---------------------------------|-----------------------|
| 1. Position of Onshore Drilling | 8. Company |
| 2. Drilling Rig | 9. Offshore Drilling |
| 3. Well | 10. Code |
| 4. Depth (meters) | 11. Operating |
| 5. Situation | 12. Being Evaluated |
| 6. Risk Contracts | 13. In Testing |
| 7. Equipment | 14. Source: PETROBRAS |

Import, Consumption Projections

Rio de Janeiro JORNAL DO BRASIL in Portuguese 10 Dec 80 p 21

[Text] Brasilia--The decision by Mines and Energy Minister Cesar Cals to set the average volume of petroleum imports in 1981 at 750,000 barrels a day is causing difficulties for PETROBRAS, which has, as of now, contracted for 841,000 barrels a day, aside from the volume it is no longer receiving from Iraq.

In October PETROBRAS was counting on a contracted volume of 850,000 barrels a day for 1981 but, with the loss of 400,000 barrels a day from Iraq, it was felt that only 450,000 barrels a day were guaranteed for next year. So the company signed alternative contracts that added another 216,000 barrels a day, valid for 90 days and beginning to expire at the beginning of January. With the renewal of Iraqi shipments in the Mediterranean amounting to 65,000 barrels a day, the shortfall became even less.

Although having agreed formally with the goal of average imports of 750,000 barrels a day in 1981, through its president, Shigeaki Ueki, PETROBRAS, in the person of its commercial director, Carlos Sant'Ana, is still reluctant to accept that figure and has tried to convince the mines and energy minister to that effect. Mr Cesar Cals, meanwhile, asserts he has already convinced President Joao Figueiredo, Planning Minister Delfim Netto and Finance Minister Ernane Galves that the goal is feasible without risk to domestic supply and is standing his ground in relation to PETROBRAS.

Faced with the breach-of-contract problem presented by PETROBRAS, the mines and energy minister argues that the import reduction can be made in the 216,000 barrels a day of 90-day contracts that will begin to expire in January. He believes that when the time comes to renew those contracts PETROBRAS can make a selection and eliminate 91,000 of the 216,000 barrels a day. PETROBRAS contracts for 1981 are now composed of the following: 450,000 barrels a day from traditional suppliers, less Iraq and Iran; 60,000 from Venezuela; 50,000 from Mexico; 65,000 from Iraq; 216,000 from alternative contracts intended to cover part of what is no longer being received from Iraq since the war began. The total comes to 841,000 barrels a day. Of the total, however, 216,000 will expire in January and the minister hopes that only 125,000 of these will be renewed, thus arriving at 750,000 during 1981. The situation could change, however, depending upon developments in the Iran-Iraq war.

The Accounts

The Mines and Energy Ministry acknowledges that importing an average of 750,000 barrels a day during 1981 will lead to a reduction in inventory to levels that its experts do not consider dangerous. Brazil will begin the year with 85 million barrels of usable (excluding ballast) petroleum on hand, enough for 100 days of consumption. As the average consumption of imported oil will be 800,000 barrels a day, the reduction of inventories will be 50,000 barrels a day, which adds up to 18 million barrels during the year, which will end with usable supplies of 67 million barrels, enough for 89 days at the average consumption of December 1981.

Ministry analysts say the PETROBRAS forecasts are not realistic because the state enterprise "is still living 3 years in the past, when consumption was increasing 6 to 7 percent a year," and to prove this they show the forecast made by PETROBRAS at the end of 1979 for petroleum consumption in 1980. PETROBRAS felt that average consumption would be 1,198,000 barrels a day; the ministry's energy model forecast 1,093,000 barrels; and consumption was 1,090,000, a reduction of 1.5 percent compared to 1979. For 1981, Minister Cesar Cals predicts a reduction of 2 percent in consumption compared to 1980, which would be an average of 1,060,000 barrels a day.

To arrive at the 750,000 barrels a day, the ministry analysts make the following accounting: consumption of liquid fuels will be 1,170,000 barrels a day, compared

to 1,126,000 barrels in 1979 and 1,135,000 barrels in 1980. This 1,170,000 barrels a day will consist of: 18,000 barrels of coal and 22,000 barrels of charcoal (which will replace liquid fuels); 80,000 barrels a day of alcohol; 250,000 barrels a day of domestic petroleum and 750,000 barrels a day of imported petroleum; and 50,000 barrels taken from inventory.

Brazil's Sedimentary Basins

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Dec 80 p 63

[Text] Rio de Janeiro--The bulk of Brazil's sedimentary area, representing 85 percent of its extent, is occupied by basins that have been shown to be poor in petroleum resources. They are the basins of Amazonas, Parnaiba and Parana, with a little over 2 million square kilometers and whose particular geological problems make use of geophysical investigation methods impossible. But "they could provide encouraging results in the future, if we recall that in various parts of the world success came only after intense exploratory effort."

These remarks about Brazil's petroleum prospects are contained in a study made by the PETROBRAS Department of Exploration showing the unequal distribution of petroleum resources in the world and in our country. The geologists who helped prepare the study contend that, even with the negative characteristics shown by the Parana and Amazonas basins, the discoveries of gas in Jurua in Upper Amazonas may represent the beginning of overcoming the problems found there.

In the study, entitled "The Geography of Petroleum," the PETROBRAS Exploration Department describes the major characteristics of the eight types of sedimentary basins in the country and their correlation with similar structures in other regions of the world. Those of the first type are "traditionally unprolific in terms of petroleum," providing less than 1 percent of world reserves. In Brazil, the Amazonas, Parnaiba and Parana paleozoic basins belong to this class. Those of the second type account for 25 percent of hydrocarbon reserves and of these 65 percent by volume correspond to gas. Their most notable manifestations are in the North Sea, part of Siberia, Texas and Oklahoma, part of the Andes and Australia. The Acre cretaceous basin belongs to this category. "On the Brazilian side, however, it does not have suitable geological association to contain petroleum," the PETROBRAS study says.

The basins of the third type contain 10 percent of the world's hydrocarbon reserves, with outstanding production areas in the Soviet Union, the North Sea, North Africa and Argentina. In Brazil, the Tucano Recreavo basin is the only one entirely of this type and so far it is the most prolific in terms of generation and accumulation of petroleum.

The basins of the fourth type are those characterized by movements of compression and are those with the world's highest rate of production, accounting for about half of all world petroleum reserves. Their typical occurrence is in the Persian Gulf area of the Middle East. They also show substantial reserves in Venezuela (Lake Maracaibo), Mexico and Oceania. They are not present, however, on the Brazilian continental margin. Basins of the fifth type occupy the shores of the Atlantic and Indian oceans, the east coast of North and South America, the west coast of Africa and part of Australia. They comprise less than 1 percent of world reserves, producing in Australia and the southern part of West Africa.

Basins of the sixth and seventh types are "moderately prolific, containing large reserves on the coast of California, Oceania, Peru, eastern Venezuela and the Caspian Sea, with about 10 percent of total world reserves." These basins do not occur in Brazil. The large deltas correspond to basins of the eighth type and occur in any type of margin where large volumes of sediment are deposited. They comprise about 4 percent of world reserves and the most [illegible word] are those of the Mississippi, the Orinoco and the Niger. According to the PETROBRAS Exploration Department, "the mouth of the Amazon would contain partially a basin of this type, but the results thus far have not been encouraging."

Of the Brazilian sedimentary basins, only that of Acre belongs to the type-two class which is characterized worldwide by high petroleum potential, although it does not have that advantage here, as the PETROBRAS study points out. In the Brazilian part of the basin the necessary geological conditions for occurrence of hydrocarbons do not prevail. This is because in a single sedimentary basin the critical factors are not associated throughout its area and also because, even among basins of this type, the occurrence of petroleum is not uniform.

In regard to the Amazonas, Parnaiba and Parana basins, which represent 85 percent of the nation's sedimentary area, "the extensive and thick layers of intrusive rock and the diffusions of basic igneous rock cause enormous difficulties in mapping the subsurface and choosing the best place for drilling," the study points out. A beginning to the solution of the seismic problem, however, is admitted by PETROBRAS since discovery of gas reserves in the Jurua region in Upper Amazonas, with use of the latest technological improvements available.

The coastal basins have been intensively explored and about 1,100 wells have been drilled in them, with the characteristic that the major discoveries occurred soon after the initial phase of the exploratory process.

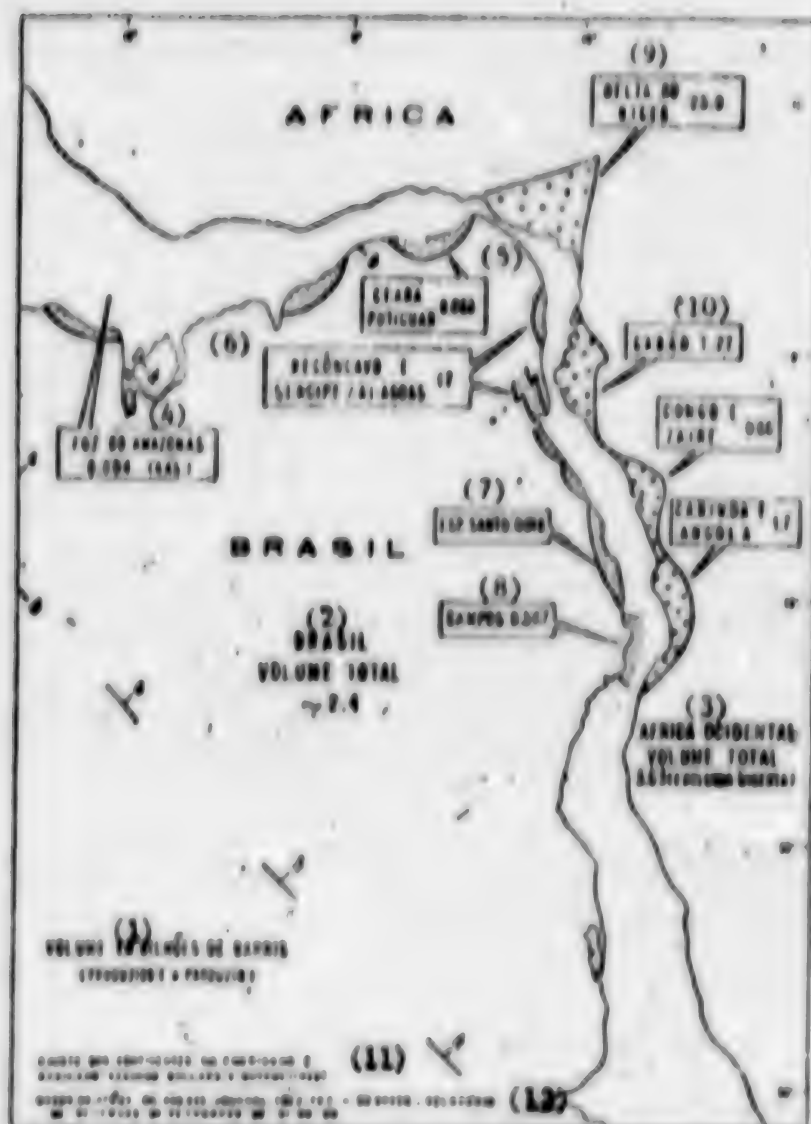
[See map on next page.]

PETROBRAS Plans Are 'Flexible'

Rio de Janeiro O GLOBO in Portuguese 15 Dec 80 p 16

[Text] The 5-year plan PETROBRAS will carry out beginning next year with the purpose of reaching a production of 500,000 barrels a day in 1985 cannot be considered a rigid document. Its major characteristic will be the flexibility its technicians will employ throughout the period. The goal is 500,000 barrels but, in the opinion of specialists that amount can be attained only through an effort never before made in Brazil in the search for petroleum.

In the talk he gave at the Naval War College last Thursday, Shigeaki Ueki, president of PETROBRAS, again said that the 500,000 barrels a day in 1985 represents a possibility, although he is sure the nation will easily be able to produce 390,000 barrels a day. This exchange of ideas, which often even causes perplexity in upper echelons of the administration is inherent in defining planning or any plan. As a matter of fact, in 1985 the nation may be producing 390,000 barrels or much more than 500,000 barrels daily. Everything depends upon the amount of deposits discovered or to be discovered and on the new technologies that will certainly emerge in coming years.



Distribution of Petroleum in the Basins of the Brazilian and African Continental Margins

Key:

- | | |
|---|--|
| 1. Volume in billions of barrels (produced or to be produced) | 8. Campos Basin |
| 2. Brazil: Total Volume 2.4 | 9. Niger Delta |
| 3. West Africa: Total volume (excluding Nigeria) 3.63 | 10. Gabon |
| 4. Mouth of the Amazon | 11. South American and African continents fitted according to Bullard et al (1965) |
| 5. Ceara and Rio Grande do Norte | 12. Data on Africa from OIL AND GAS JOURNAL December 1979 |
| 6. Bahia, Sergipe and Alagoas | Data on Brazil from PETROBRAS Report on Reserves, 31 August 1980 |
| 7. Espirito Santo | |

Optimism and Realism

The 5-year plan is so flexible that, as one PETROBRAS official said with a touch of humor, it could become a 6-year plan or a 10-year plan. On the other hand, it could turn out to be a 3-year plan. Within this line of reasoning, drilling 807 offshore wells and 975 onshore simply suggests the extent of the state enterprise's effort. Much more than this may be done; many surprises will occur. In all the world's long-range plans, especially in regard to finding petroleum, discoveries have been made that the most experienced experts would not have expected. The most recent were the gigantic fields discovered in Mexico (Campeche) and in the Soviet Union (Siberia).

In the Brazilian case, according to the geologists, the die is now cast. And everything is beginning with a certain optimism. PETROBRAS personnel who previously were quite reserved about Brazilian possibilities see the problem in a new light due to research and exceptional development of technical knowledge.

One of Brazil's leading authorities on the subject, geologist Carlos Walter Marinho Campos, no longer views the possibilities of paleozoic basins, which historically produce the least oil, so pessimistically. More than half (about 3 million square kilometers) of Brazil's onshore sedimentary basins are paleozoic.

Amazon Region

During the time the National Petroleum Council (CNP) has been responsible for drilling, almost 200 wells have been drilled in the Amazon region's paleozoic basin (about 1.2 million square kilometers). Discovery of the subcommercial Nova Olinda "immature petroleum" may have been the link leading to continued PETROBRAS prospecting in the gigantic sedimentary area. Although there was commercial failure, due to the small quantity of petroleum produced by Nova Olinda, there was, on the other hand, technical success.

The famous camouflage (distortion) of seismic interpretations due to previously unknown factors is beginning to be deciphered. The geologist and the geophysicist were never so united as they are now to unravel the mystery that surrounds the geology of the Amazon region. Mapping of the subsoil has become less precarious. Computerization sheds light on other mysteries. And suddenly, when more realistic geological maps could be made, the Jurua gas deposits in Upper Amazonas were discovered. Following a similar pattern, other discoveries of gas are being made in the same region. The international companies with risk contracts (Shell, Esso, Elf-Aquitaine) are now in Middle Amazonas following almost identical steps. Hence, it is possible to find petroleum in the Amazon region, unless the large international companies there are eager to throw their money away.

On the continental shelf hopes are higher. Geologists from all over the world continue to believe the mouth of the Amazon has petroleum, while the whole Brazilian coast from Para to Rio de Janeiro forms what many are now calling a necklace of petroleum.

Statements by Ueki, Gale

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Dec 80 p 27

[Text] Rio de Janeiro--PETROBRAS President Shigeaki Ueki, in a speech at the Naval War College yesterday, said the results of petroleum exploration in Brazil are quite satisfactory despite its peculiarities and complex geological conditions. Even so, he emphasized, "during the last decade reserves of about 90 million barrels were discovered annually, equivalent to a medium-sized oil field every year." To be self-sufficient in petroleum, Brazil must reach a level of production attained so far by only 16 countries, of which only 6 are not OPEC members (the United States, USSR, the United Kingdom, Canada, Mexico and China), he said.

He said investments in exploration and production--growing since creation of the state enterprise--should reach 70 billion cruzeiros this year, or 70 percent of all PETROBRAS investments. This amount of funds reflects the main objective of the PETROBRAS investment program for the 1981-85 period, which is to contribute vigorously to reducing the nation's energy dependence.

The exploration and production program for the next 5 years provides for drilling 807 wells on the continental shelf and 975 onshore, involving about 3 million meters offshore and 2 million meters onshore.

To develop production, 2,166 wells must be completed: 1,836 onshore and 330 offshore. Among such activities he emphasized development of the deposits discovered in the Campos Basin, where work is being accelerated and which should enter production gradually by the end of 1983.

Ueki asserted that current Brazilian oil production of about 200,000 barrels daily is equivalent to about \$2.5 billion annually. PETROBRAS activities will result in a gradual increase of production, which will be 390,000 barrels in 1985. "That production," he said, "evaluated at \$32 per barrel, will save \$4.5 billion in foreign exchange per year."

According to the PETROBRAS president, on the assumption that production of 500,000 barrels a day is reached in 1985, with a contribution from new discoveries to be made in the period, the foreign-exchange savings will be about \$6 billion annually. The latest projection of the national energy balance indicates that the share of hydrocarbons in the next 5 years, although still quite significant, will be reduced from 37.2 percent in 1981 to 24.4 percent in 1985. "That prospect," he declared, "shows that Brazil is one of the few countries with reliable possibilities of reducing the share of petroleum in the demand for energy, while continuing its economic development."

In regard to refining, he said the main PETROBRAS objective is to adapt refining facilities in a way that permits gradual and systematic reduction of the amount of petroleum imported. Among investments provided for this sector, he stressed plans to build new units at the Alberto Pasqualini and Paulinia refineries, as well as improvements to reduce consumption of fuel oil.

Consumption Not to Increase

Curitiba--"There are still ways to reduce wasted fuel by 5 percent," said Mines and Energy Minister Cesar Cals yesterday in Curitiba, in promising that national consumption of petroleum in 1981 will be about the same as this year, in the neighborhood of 1.1 million barrels a day, despite expectation that the gross domestic product will increase 5 percent.

The energy minister said it will be necessary to continue the current policy of realistic prices seeking substitution of petroleum as well as other measures for avoiding waste. "With higher prices and the programs being carried out, we will be able to save 5 percent," he asserted. At the same time he assures reduction of imports to 700,000 barrels a day by next December. In January, with return of the Garoupa well to production, the minister believes imports could fall from 830,000 to 800,000 barrels a day. This is how the minister explains the prediction for an average of 750,000 imported barrels a day during the coming year.

Yesterday Cesar Cals visited the Sao Mateus do Sul prototype plant for processing shale 120 kilometers from Curitiba and announced that installing the industrial-scale plant has become a priority project for the Mines and Energy Ministry, within "a broad program for scarce resources."

The plant's construction is authorized and by 1985 it should be producing the equivalent of 25,000 barrels of petroleum extracted from shale. According to the energy minister, the project for the plant will be analyzed to examine some aspects, such as construction or importation of the needed equipment and deciding what parts of construction can be cut without delaying the schedule. But he asserted the first stage of construction would be finished by 1985, as the project's economic feasibility has been established. The cost of the equivalent of a barrel of petroleum extracted from shale is now \$28, "less than that of imported petroleum and without any risk."

The energy minister also revealed that next year will be devoted to developing projects in the wood sector, vegetable oils and accelerating the National Biodigester Program. In the field of electrical energy, he confirmed transformation of the 1995 Plan into the 2000 Plan, as the Mines and Energy Ministry decided that a number of programs included in the plan will be more clearly delineated during the 1990 decade. He confirmed, however, that construction of the Lower Ilha Grande hydroelectric plant on the Parana River is underway and that "the government is already buying the equipment."

Speaking further about imports, Minister Cesar Cals asserted that "PETROBRAS must buy only enough petroleum to meet consumption and avoid any speculation." He thinks stocks should be maintained at this year's levels, despite there having been a drastic reduction in imports with the war between Iran and Iraq which forced a reduction of 400,000 barrels a day. By means of a number of short-term contracts in view of the war, PETROBRAS was able to restore from 200,000 to 230,000 barrels a day of the cut; and the minister asserted that when the contracts are renewed next year there will certainly be a reduction of imports as early as January, due to production from the Garoupa well.

OIL CONSUMPTION DOWN, PRODUCTION UP; DRILLING STATUS

National Consumption Drops

Rio de Janeiro GACETA MERCANTIL in Portuguese 13 Nov 80 p 9

[Text] Brasilia--Thanks mainly to the 40,000 barrels of alcohol used as fuel, Brazilian oil consumption for the first 10 months of this year was 0.9 percent lower than during the same period in 1979. According to the figures revealed yesterday by the Ministry of Mines and Energy (MME), the domestic consumption of gasoline dropped 13.2 percent; that of fuel oil, 3.1 percent; and that of asphalt, 13.8 percent. The national consumption of liquefied petroleum gas (LPG) increased 11.8 percent; of diesel, 8.9 percent; and naphtha and petrochemical gasoil, 14 percent.

According to the MME, 52,799,100 cubic meters of various derivatives were used as of October of this year. As of October 1979, 53,275,000 cubic meters had been used. On that basis, the table revealed by the MME is not very clear. There are 6.29 barrels in a cubic meter. So this year's consumption was 332,106,330 barrels and that of the first 10 months of 1979 was 335,099,750.

Whoever made the calculations in the MME to arrive at the daily consumption perhaps did not take into account the fact that 1980 was a leap-year. As of 31 October, there were 305 days, not 304. Therefore, the MME may have derived a reduction of 0.9 percent from that daily average when in reality the decrease of consumption is actually more than 1.2 percent, because it dropped from 1,102,300 to 1,088,900 barrels daily. In addition, the note does not refer to the alcohol replacing gasoline, leaving the impression that consumption fell less than it did.

The note said also that the decrease of domestic apparent consumption of oil derivatives was 0.2 percent compared to the same period last year. Of the total consumed, regular gasoline underwent a cost reduction of 2.8 percent of total consumption, and blue gasoline, 94.3 percent. The greatest increase in consumption was that of diesel oil, which increased 2.4 percent of the total, and LPG, 11.8 percent.

LPG

Eugenio Dante Gallo, the office chief of the National Petroleum Council (CNP) in Sao Paulo told journalist Paulo Ludmer that the increased domestic consumption

of LPG is due in large part to the low temperatures that have occurred in the south and southeastern regions of the country in the months of September and October, normally warmer in those areas in the spring.

Domestic Production Up

Rio de Janeiro GAZETA MERCANTIL in Portuguese 13 Nov 80 p 9

[Text] Brazilian production of oil and liquefied natural (LNG) gas for the first 10 months of the year amounted to 57.4 million barrels, an increase of 12.27 percent compared to the same period last year. The daily average was 188,200 barrels, compared to 167,800 barrels last year, according to the Brazilian Petroleum Corporation (PETROBRAS).

Production from the Brazilian continental shelf showed an increase of 42.22 percent (a daily average of 76,500 barrels). The offshore fields of Rio de Janeiro showed a significant increase of 114.1 percent despite the temporary interruption of production of the Garoupa provisional system, 9.3 million barrels being produced compared to 4.3 million during the period January-October 1979.

Despite the increase that occurred in the land basin of the state of Espirito Santo, 112 percent, the production on land showed a decline of 1.89 percent; that is, about 113,800 barrels per day were extracted from the land basins between January and October 1979, while the daily average for the same period in 1980 was 111,700 barrels.

National Production of Oil and LNG (in thousands of barrels)

	<u>Oct 80</u>	<u>Oct 79</u>	<u>Jan-Oct 80</u>	<u>Jan-Oct 79</u>
Land	3,546	3,453	34,066	34,721.2
Rio Grande do Norte	1.6	--	12.0	--
Alagoas	98.5	98.8	991.0	895.8
Sergipe	914.3	831.5	8,740.4	8,323.7
Bahia	2,277.7	2,469.2	23,055.2	24,930.9
Espirito Santo	254.7	59.4	1,267.7	570.8
Ceara	--	--	--	--
Offshore				
Rio Grande do Norte	407.0	425.5	4,071.9	2,846.2
Sergipe	501.5	613.9	5,474.1	5,286.9
Bahia	294.2	297.3	2,915.6	2,695.9
Espirito Santo	78.0	95.4	831.2	1,251.6
Rio de Janeiro	395.6	665.9	9,272.5	4,330.2
Ceara	156.0	--	774.0	--
Total	5,379.9	5,556.9	57,405.6	51,131.9

Source: PETROBRAS

Wells Being Drilled

Rio de Janeiro GAZETA MERCANTIL 12 Nov 80 p 6

[By Mateus Kacowicz from Rio]

[Text] There are 62 wells being drilled in Brazil in the search for oil. Of that number, 29 are offshore and 33 on land. The great majority of those wells is being drilled by PETROBRAS rigs or contracted by that firm. Of the 75 drilling rigs in use in Brazil, only 6 are charged to companies operating under risk-clause contracts, being divided equally between land (charged to the IPT/CESP consortium) and offshore.

There are 8 exploratory wells being drilled on land and 22 offshore, 3 of the latter under risk-clause contracts. The great difference between the number of exploratory wells on land and offshore is due to the longer familiarity with the land deposits and the greater emphasis at the present time in developing them. One well is being evaluated on land while five are being evaluated offshore, most of them in the Campos Basin. Although the experts prefer to maintain a reserved attitude about the prospects of the tests, they are excited about wells 1-RJS-117 and 1 RJS-139 (table below).

It is observed also that of the drilling rigs involved in risk contracts, only 6 are operating; 3 belonging to Paulipetro, on land, and the others offshore. The Amadeu Amaral well (Sao Paulo) of the IPT/CESP drilling rig, which stopped for tests between 1,803 and 1,806 meters last Friday, has resumed operation, now in the Irati formation.

Posição das Perfurações Terrestres (1)						Contrato de Bisco (2)		
Bonda	Poço	Profund (m)	Situação	Companhia	Equipamento	Poço	Profund (m)	Situação
SC 82	9-FZ-4-AM	—	DTM	Key Gibraltar	8	1-BA3-67	—	mudando de poço
SM 1	1-H-1-AM	—	avaliando	Davidson	Citec	1-BA3-13A	2.000	operando
SM 2	1-TU-1-88	—	DTM	PT-1	PT/CESP	3-AA-1-SP	1.000	operando
SM 8	1-BA-3-MA	1.750	operando	PT-3	PT/CESP	3-TB-1-SP	2.000	operando
SC 25	1-FRQ-1-81	1.000	operando	Sociedade 783	Marathon	1-AP5-45B	500	operando
SC 35	7-IP-9-81	—	DTM	PT-2	PT/CESP	2-PH-1-SP	500	operando
SC 60	3-IP-9-81	1.300	operando	Perfurações Maritimas 1.3				
SC 88	3-BSM-7-81	1.153	operando	Código 1.4				
SC 94	1-LQ-1-8H	1.350	operando	PA	Petrabris I	1-BS-43	3.141	operando
SC 91	7-FZ-8	730	operando	PA 6	Ponrad 62	7-SD-100-81B	—	DTM
SC 84	9-MO-31-8H	1.037	operando	PA 11	Maestuna Gascoigne	1-BS-27B	161	operando
AO-1	7-AB-180-8A	1.991	operando	SS-1	Zephyr II	1-BS-126A	1.003	operando
AO-2	7-AB-184-8A	—	DTM	SS-2	Ponrad 75	1-BS-151	2.254	operando
AO-3	7-AB-181-8A	580	operando	SS-6	Ponrad 71	1-BS-132	2.400	—
AO-4	7-AB-190-8A	2.766	operando	SS-9	Maestuna Pioneer	1-BS-133A	3.387	—
SC 34	6-SI-9-8A	1.007	operando	SS-11	Zephyr I	1-BS-117	—	avaliando
SC 43	7-MO-307-8A	1.480	operando	SS-13	Martin VII	—	—	operando
SC 80	6-AS-197-8A	—	DTM	NS-3	Ocean Cyclone	1-BS-118A	—	avaliando
SC 66	7-RO-88-8A	1.300	operando	NS-5	Petrabris II	1-BS-130	—	avaliando
SC 73	1-SD-1-8A	3.300	operando	NS-6	Talman	4-BS-156	609	operando
SC 77	6-SI-6-8A	1.880	operando	NS-8	Inter Discoverer	1-BS-154	1.964	operando
SC 78	7-SUS-9-8A	—	DTM	NS-6	Discoverer 134	1-BS-146	2.293	operando
SC 79	7-SA-31-8A	1.753	operando	PA 18	Orin	1-AP5-41	4.311	operando
SC 80	7-BS-90A-8A	2.737	operando	NT-5	Progress Rig 95	7-BA-30-CE5	—	avaliando
SC 81	7-C-189-8A	1.485	operando	PA-7	Key West	1-CE5-44	3.519	operando
SC 95	7-BOV-15-8A	1.513	operando	PA-9	Petrabris IV	4-BS-35	676	operando
SC 36	7-SMC-30-AL	1.230	operando	PA 10	Martin IV	7-US-200-BS1	—	operando
SC 40	3-FU-44-AL	1.394	operando	PA 14	Key Biscayne	1-CE5-50	167	operando
SC 41	7-TG-5-8A	807	operando	SC 67	(PUB 3)	7-US-450-BS1	290	operando
SC 44	7-CP-531-8A	270	operando	SC 68	(PUB 3)	7-US-440-BS1	1.303	operando
SC 50	1-SF-1-AL	2.373	operando	PA 16	Maestuna III	1-CE5-42A	3.497	operando
SC 74	7-RO-777-8A	675	operando	PA 17	Samaga	1-BS-27	3.720	DTM
SC 75	7-CP-520-8A	735	operando	PA-3	Ponrad 90	1-BS-25	674	DTM
SC 76	7-CP-520-8A	639	operando	PA 18	Petrabris V	1-BS-27	4.003	operando
SC 85	7-CP-529-8A	756	operando	PA 17	Herbe I	1-AL5-18	310	operando
SC 86	7-CP-525-8A	830	operando	NT 4	Dalia-9	7-CA-390-BS1	1.764	operando
SC 95	7-CP-537-8A	750	operando	PA 3	Petrabris II	3-BA3-610	—	avaliando
SM 3	1-MO-3-AL	—	DTM					
SC 27	7-AS-302-8A	—	DTM					
SC 61	—	—	DTM					

Source: PETROBRAS

Oil Prospecting in Brazil (as of 10 Nov 80)

Key:

1. Position of Land Drilling
2. Risk Contract
3. Drilling Rig
4. Well
5. Depth (m)
6. Situation
7. Company
8. Equipment
9. Moving, transporting and assembling
10. Evaluating
11. Operating
12. Change of well
13. Offshore drilling
14. Code

8711

CSO: 3001

OIL IMPORTS TO BE DOWN IN 1981; FUEL ALCOHOL PRICE RISE

Rio de Janeiro JORNAL DO BRASIL in Portuguese 25 Nov 80 p 19

[Text] Brasilia--The ceiling for Brazilian oil imports may be set at 850,000 barrels per day, 50,000 barrels per day less than anticipated, beginning in January 1981. A proposal to that effect will be made to the National Energy Commission (CNE) by Minister of Mines and Energy Cesar Cals at the meeting of the basic group of the commission set for 3 December.

The Brazilian Petroleum Corporation (PETROBRAS) reported in Rio that PETROBRAS financial director Paulo Vieira Belotti will sign in New York today a loan for \$275 million granted by a syndicate of banks headed by the Wells Fargo Bank. According to that corporation, interest will be below the Eurodollar. The loan is to finance the purchase of oil.

PETROBRAS reported also that the loan signed today is the sixth of that type of financing, called Banker's Acceptance. The first loan was made in 1975 in the amount of \$250 million, which has already been completely released by the firm. The largest loan of that type was made in February of this year in the amount of \$600 million.

Studies

The minister has just received a document from PETROBRAS containing new forecasts for national oil production in which the firm guarantees a production of 280,000 barrels per day by the end of 1981. The document also states that domestic production will again reach 200,000 barrels per day by the end of this year and that a production 500,000 barrels per day will be reached and may even be exceeded by 1985.

In guaranteeing the new domestic production levels, PETROBRAS took as a basis the behavior of its activities and of national production in the last 12 years and concluded that if the behavior is exactly the same in the next 5 years, there is no doubt that national production will reach 500,000 barrels per day in 1985, a target proposed by Minister Cesar Cals which was even considered impossible by PETROBRAS itself a few months ago. The important thing is that the firm is guaranteeing that production even under the improbable possibility that there are no new discoveries during that period.

On the basis of PETROBRAS' studies, the minister of mines and energy has ordered other studies from its support staff to see if the import levels set 2 months ago by the CNE at 800,000 barrels per day for 1981 could be reduced further. The studies showed that if imports are set at 750,000 barrels per day, considering the domestic production level guaranteed by PETROBRAS, the increased production of alcohol, and the objectives expected as a result of the measures for the conservation, substitution and reduction of consumption of oil derivatives, there will not be any danger of a shortage in domestic supply.

Price of Gasoline

During tomorrow's session with President Figueiredo, Planning Minister Delfim will again ask him for authorization to put into effect the new prices of oil and hydrated alcohol derivatives. Gasoline will go to 51 per liter, an increase of 13.3 percent.

In the event that the president of the republic authorizes it, the announcement will be made tomorrow evening and it will go into effect at 0000 hours on Friday. Putting the new price rate into effect on Friday was a request of the National Oil Council (CNP) itself, which will take advantage of the occasion to conduct a survey of the supply levels of resale stations during the weekend.

The last time he asked President Figueiredo to authorize a price increase for some fuels, on the 12th of this month, Minister Delfim Neto was asked to bring the matter up again "in about 10 days," the increase being held in abeyance although the CNP directive has been ready since that date.

Tomorrow, 2 weeks after the first request for authorization, the minister will bring the matter up again with the president, and in case there is any reluctance, he intends to convince President Figueiredo that we are no longer in a position to delay the readjustment. The resale margin of the stations will also be readjusted together with the new price increase, from 2.25 to 3.20 cruzeiros per liter.

Alcohol

The price of a liter of fuel alcohol will increase between 10 and 15 percent within the next 2 weeks, the secretary general of the Ministry of Industry and Commerce, Marcos Jose Marques, announced yesterday. In the first case, the price of a liter of alcohol will increase from the current 24.70 to 27.17 cruzeiros; if the increase is 15 percent, the price per liter of alcohol will go to 28.45 cruzeiros.

He explained that the new increase is not related to the development of inflation but is the result of a difference existing in the cost of distribution and resale of the product. That fact forced the government to subsidize the sale of alcohol to the consumer, paying 1 cruzeiro per liter in the Center-South and 1.50 cruzeiros in the Northeast.

He said also that the situation became aggravated with the extension of the National Alcohol Program (Proalcool) to the state of Santa Catarina and Rio Grande do Sul. He could not say if the new prices of alcohol will be revealed at the same time as the readjustments in the price of gasoline.

However, he stated, the prices of alcohol will have to be readjusted on the basis of the development of inflation rates in order to encourage the producer to plant more and more cane. The price of alcohol today is equivalent to 53 percent of the price charged per liter of gasoline but the difference "cannot be too great because it will end up encouraging waste," he concluded.

Micro-Distilleries

The National Alcohol Executive Commission (CENAL) thus far has not received any plan for a micro-distillery that is technically and economically feasible, according to the chairman of the commission, who is the secretary general of the Ministry of Industry and Commerce, Marcos Jose Marques.

He denied that there is any reservation within CENAL regarding micro-distilleries (maximum production capacity of up to 5,000 liters of alcohol per day) but he made it clear that the government will not give financing support to a plan that is not technically and economically viable.

A CNE resolution gave CENAL the responsibility for implementing the micro-distillery program and so far two have been established: one in Araras, through the National Sugar Program (Planalcucar), and another under the coordination of the Industrial Technology Secretariat (STI) in Lorena, both in Sao Paulo.

The concrete fact is that the micro-distilleries are producing alcohol at 40 cruzeiros per liter, making them unfeasible for large-scale production. The mini-distilleries (maximum production of up to 50,000 liters per day), however, have shown concrete results and economic feasibility.

The mini-distilleries are being installed through Proalcool financing and will produce alcohol from cassava, a maximum of 10,000 tons, or from sugarcane, 20,000 tons per day.

Cals Pledges Alcohol Supply for Nation's Cars

Porto Alegre--Minister of Mines and Energy Cesar Cals pledged in an interview that there will be no shortage of fuel alcohol to take care of the greater demand of the country's automobiles because, if necessary, the present percentage of mixture with gasoline can be reduced from 20 to 17 percent, making it possible to take care of the supply needs of the 600,000 alcohol-fuel vehicles to be produced by the automobile industry.

Commenting on the report that Iraq would reestablish its oil supplies, Cesar Cals pointed out that that would occur not by shipments through the Persian Gulf terminal but through a pipeline with a capacity reduced to 800,000 barrels per day; as a result Brazil expects to obtain a maximum of between 60,000 and 65,000 barrels a day.

Later, opening the anthracite coal meeting sponsored by the National Economic Development Bank (BNDE), which will draw about 200 participants, including experts from official agencies and businessmen in Plaza Sao Rafael, through tomorrow, Minister Cesar Cals said that the country must devote itself during the next 20 years until the turn of the century to mastering coal and nuclear technology, alternative sources to the generation of hydroelectric energy, the potential of which he predicts will be exhausted by the year 2000.

He announced to the plenary session of the anthracite coal meeting that he had already signed an agreement in his office for the construction of a 300 MW thermoelectric plant to be installed in the Santa Catarina municipality of Tubarao. He stressed that it is the first of 10 thermoelectric plants to be installed at the rate of two every 2 years, half of them with equipment supplied by East European countries and the other half by Western countries.

8711

CSO: 3001

PETROBRAS TO EXPLORE AMAZON GAS DEPOSIT

Rio de Janeiro O GLOBO in Portuguese 10 Nov 80 p 16

[Text] Carauari (on the banks of the Jurua River)--For the first time since oil exploration began in the Amazon region in 1950, a discovery shows prospects of being economically viable. Last Thursday, the Jaraqui well, located 40 kilometers from the banks of the Jurua River, that was being drilled since April of this year was put into the production test mode.

When the valve was opened, the pressure caused a sound similar to and of the same intensity as a Boeing taking off. The gas from the escape pipe was ignited for controlled combustion. The flame rose about 30 meters high.

There was an atmosphere of intense euphoria and expectation among the team of 48 technicians who worked on the well. There was constant radio communication with the Department for the Exploration of Northern Brazil (DENOR). And in fact the results of the tests begun last Thursday are surprising. The reserve in this area of the Jurua River is being estimated at 3 billion cubic meters.

Signs of Gas

In the Jaraqui well, the drilling revealed signs of gas at four intervals; the first two have already been tested and showed a flow of 185,000 and 300,000 cubic meters, respectively. The third, the tests of which began on Thursday and which will continue for 10 days, showed a flow of 300,000 cubic meters and the fourth, which will begin to be tested as soon as the work on the second is concluded, should also produce 300,000 cubic meters. The production of the well, therefore, could exceed 1 million cubic meters per day.

DENOR superintendent Raymundo Ruy Bahia, who follows the results of the evaluation tests in Jurua daily from Belem, revealed that the Brazilian Petroleum Corporation (PETROBRAS) is already studying the exploitation of the gas. The economic feasibility studies are proceeding but, in principle, it will be transported by pipeline about 40 kilometers long to the small city of Carauari on the banks of the Jurua River.

There, a natural gasoline plant will be built or a plant for transformation of the gas into methanol will be installed. From Carauari, any of these products will be transported in small tankers down the Jurua and Amazon rivers to Manaus, where it will be distributed for consumption in the region.

The production of 1 million cubic meters from the Jaraqui well, practically already confirmed, represents 6,300 barrels of oil daily. But in the Jurua two gas-producing wells have already been discovered that will produce 500,000 cubic meters each, which means a total production of 2 million cubic meters for the area, raising the oil equivalence to 12,600 barrels daily. In regional terms, this is a substantial production. Suffice it to recall that the Manaus refinery, which takes care of the region, processes 10,000 barrels daily.

Barbecue

Roberto Pereira da Silva, in charge of all the work of the team in Jaraqui, who is familiarly called "Big Robert" by everyone and has the calm and quiet attitude of someone accustomed to drilling work for 20 years, does not contain himself when asked to comment on the test work on the well:

"I am a person who works with enthusiasm, and with each discovery I like to mark it with the personnel who worked at the site. Here in Jurua, I am going to prepare a barbecue when the tests are completed."

Big Robert is considered the best man to keep up with the drilling work by PETROBRAS, capable of handling any problem that arises efficiently and rapidly. He is also a "pe-quente" [literally: "hot-foot"]: he was present at the discovery of the Dom Joao and Queimada fields in Maranhao. He started in PETROBRAS without any academic training and received his training in the company's technical courses.

8711

CSO: 3001

RIO GRANDE DO SUL INCORPORATED INTO PROALCOOL PROGRAM

Sao Paulo VISAO in Portuguese 24 Nov 80 pp 94, 96

[Text] Until a short while ago, the people of Rio Grande do Sul were in a unique situation: they could not avail themselves of the 50 percent reduction in the payment of the Single Road Tax (TRV) for cars that run on alcohol because Rio Grande do Sul was the only state in the country that was not included in the Proalcool program. But now they can buy alcohol-fueled vehicles and, more importantly, supply them with fuel.

The first of a series of 89 pumps that will go into operation throughout the state by the end of the year, according to the decision of the National Oil Council, were inaugurated on Tuesday the 11th. Before that, the only alcohol supply stations were operating in Porto Alegre, for captive consumers: the owners of taxis of a cooperative formed exclusively for that purpose by the Rio Grande Telecommunications Company, the National Highway Department and Panambra, the major distributor of Volkswagens in the Rio Grande do Sul capital.

The first step toward the inclusion of Rio Grande do Sul in the Proalcool program was the construction of a pilot distillery attached to the Gaucha Sugar Corporation (Agasa) a small sugar plant in the municipality of Osorio. Agasa has a strange history: it was created in the sixties for the purpose of breaking another blockade, the production of sugar. Because since the thirties, sugar production has been reserved for the states of the Northeast and Sao Paulo. The logic of the process was to favor the northeastern region but, according to the people in Rio Grande do Sul, the state intervention ended up favoring the big Sao Paulo growers.

Proof Positive--Studies by the Secretariat of Industry and Commerce showed that Rio Grande do Sul has the capacity to produce 1.2 billion liters of alcohol without displacing any agricultural crop; much more than the 900 million needed to fulfill Proalcool's 1985 target, namely, to replace the increased consumption of the country's automobiles with alcohol. To do that, the state has 140,735 hectares in the Upper Uruguay region and 145,582 hectares on the coast, encompassing all together 50 municipalities. There are also 71 other municipalities in an area considered "tolerable."

The state government decided to install the Agasa pilot distillery to act as a sort of proof positive for the Rio Grande do Sul businessmen. Because, although the state already has a guaranteed demand--all of the dealers have alcohol-fueled cars for sale--with a system of land distribution for the cultivation of cane, the businessmen appears to be quite reluctant to invest in alcohol even though 80 percent of the funds are provided by Proalcool.

The secretary of industry and commerce, Antonio Carlos Berta, attributes the attitude of the businessmen to the fact that they have not been traditionally involved in cane-growing activity. Unfamiliarity leads them to imagine that they need to acquire large areas of land to plant cane and that is not necessary. The function of the businessmen is to install and operate the plants, exclusively.

Cane production remains in charge of the farmers in the regions delimited by agricultural zoning, carried out long before the chairman of the National Energy Commission, Aureliano Chaves, had made that demand. Berta pointed out: "The direct investment of the businessmen even contradicts the social aspect of the program, which is to increase the supply of employment for the farmers."

Particular solutions: In addition to the Agasa pilot distillery, the state government is preparing the installation of five to six micro-distilleries to prove the feasibility of that type of undertaking in large rural properties of isolated localities. That program was suspended at the national level after the Brazilian Agricultural and Livestock Company (EMBRAPA) proved its economical unfeasibility. However, in Rio Grande do Sul, the experts of the Secretariat of Industry and Commerce believe that the particular characteristics of local properties would make the projects economical because they would work in conjunction with agricultural-livestock projects.

Berta asserts that after the construction of the Onorio plant, the interest of businessmen will increase, so much so that one of them, Jose Felix Garcia, is already considering a project for a plant with a capacity of 120,000 liters per day in the municipality of Canoas. Three other projects are in the feasibility study phase being carried out by experts of the secretariat.

8711

CNO: 3001

CZECHOSLOVAKIA TO COOPERATE IN THERMOELECTRIC PLANT CONSTRUCTION

Brasília CORFIO BRAZILIENSE in Portuguese 25 Nov 80 p 6

[Text] The Brazilian Minister of Mines and Energy Cesar Cals and Czechoslovak Minister of Foreign Trade Andrej Barcak yesterday signed a protocol of intent in the office of the former with a view to cooperation between the two countries in the construction of "coal-fueled thermoelectric plants," with a power of 300 MW, in cooperation with national industry. According to a document released to the press, the Brazilian Government decided that in 1981 it will begin "that phase of thermal utilization of coal from the southern region through the operation of a 300 MW unit in Jorge Lacerda in Santa Catarina under the aegis of the Southern Electric Power Plants (ELETROSUL)."

Although there is no official information about the matter, Mines and Energy Ministry sources revealed that the price of each plant to be built will be around \$300 million. Five are to be built, one every 2 years, all in the southern region, with the Czechs providing 40 percent of the technology in all cases. In exchange, the Czechs will purchase 18 million tons of iron ore over a period of 10 years, distributed as follows: between 1981 and 1985, 8 million, and thenceforth until 1990, 10 million, according to a protocol concluded between the Vale do Rio Doce Company and Kerametal.

Cement

According to the same sources, the establishment of "some cement factories" in Brazil at a cost of \$50 million in association with the Joao Santos group, with the Czechs coming in with 40 percent of the investments, is still under study. The matter is being decided at the Economic Development Council (CDE) level although there are no problems on the Czech side.

The protocol of intent, signed yesterday between ELETROSUL and the group comprised of the Skoda (Czech), Amn Annaldo (Italian) and Deutsche Babcock (German) companies with the endorsement of the Brazilian Electric Power Company (ELETROBRAS) is the result of the negotiations held by Minister Cesar Cals in Prague during an official visit made last September. The Brazilian minister pointed out the interest of our government in intensifying its technical and commercial relations with the countries of Eastern Europe, particularly Czechoslovakia. According to him it is necessary to "intensify exports to those countries but also to encourage imports because only in that way can the reciprocal interests of our countries lead to concrete and long-term relations."

Minister Andrej Barcak pointed out that both Brasil and Czechoslovakia "are in a completely new stage in their diplomatic-commercial relations." Taking into account the industries established in the country, the visiting minister explained, Czechoslovakia "is firmly convinced that that cooperation will not fail to produce positive results."

8711

CSO: 3001

CESP TO COLLECT SOLAR ENERGY DATA ON SAO PAULO

Brasilia CORREIO BRAZILIENSE in Portuguese 22 Nov 80 p 6

[Text] Sao Paulo--By the beginning of 1981, the Sao Paulo Power Company (CESP) is going to establish a system for the collection of data for the purpose of obtaining solar measurement survey of Sao Paulo.

Since research activities in the area of the utilization of solar energy have been intensified in the last 10 years, it can be anticipated that that unconventional source of energy will have an important role by the turn of the century.

In that survey, CESP will utilize the network of hydrometeorological stations operated by agreement with the Department of Waters and Electric Energy (DAEE), and its operational infrastructure already developed throughout the interior of the state. It will only be necessary to install one and in some cases two solar measuring devices in the stations of that system selected for that purpose.

According to preestablished technical criteria, 16 points spread out over the whole state of Sao Paulo were selected for the collection of data. Of those points, 10 will have a pyranometer to measure overall radiation and the other six will be equipped with another pyranometer to also measure diffused radiation, in addition to the existing heliograph.

Other meteorological parameters that may indirectly influence future solar installations, such as wind direction and velocity, relative units and temperature, are already measured at those stations.

Installation of the solar measuring equipment will take place in two stages. In the first, nine stations that are already suited to receive the equipment will be put into operation. In the second, the others will be installed as the stations are put into condition.

8711

CSO: 3001

BRIEFS

ITAPARICA PLANT SPEED-UP--Paulo Afonso, Bahia--In the presence of President Joao Figueiredo during the ceremonies inaugurating the Paulo Afonso IV hydroelectric plant, Minister of Mines and Energy Cesar Cals announced the government decision beginning in 1981 to speed-up work on the Itaparica hydroelectric plant in Pernambuco and to contract for the Xingo and Pao de Acucar hydroelectric projects on the Sao Francisco River. The bed for the Itaparica project, which is 30 kilometers from Paulo Afonso IV, is now almost ready but the timetable was delayed due to lack of appropriations. The Sao Francisco Hydroelectric Company (CHESF) will allocate 13 billion cruzeiros in 1981 for the construction of Itaparica, according to the budget presented to the Brazilian Electric Power Company (ELETROBRAS), which is still being submitted for the approval of the Planning Ministry. [Rio de Janeiro O GLOBO in Portuguese 21 Nov 80 p 20] 8711

CSO: 3001

ANTIOQUIA HYDROELECTRIC POTENTIAL DISCUSSED

Bogota EL TIEMPO in Spanish 25 Nov 80 p 6-B

[Text] Medellin--The very geographic structure of the department of Antioquia and the volume of river flow in the region have rendered this department particularly suitable for the generation of electrical energy through the use of water power. This situation is reflected in the major developments carried out in this sector by Medellin Public Enterprises, which today have a generating capacity of about a million kilowatts, while plans call for doubling this figure by 1983.

The electrical network of the Medellin Public Enterprises supplies the capital and the greater part of the municipalities in Antioquia, as well as other major regions in the country, with the electrical energy they need.

The electric system of the public enterprises was interlinked in 1972 with the major systems in the country, belonging to the Bogota Electric Enterprises, the Cauca Valley Regional Corporation and the Caldas Hydroelectric Plant. To this end the Electrical Interconnection Company (ISA) was established, for the purpose of building and operating the interlinking electrical networks and the development of new generating plants to supply the volume the system will require in the future.

The board of directors of the body has launched preliminary studies to establish the potential for hydroelectric development along the Nachi, Porcen, Penderisco, San Bartolome and Samana Norte rivers.

Studies have also been commissioned for the expansion of the Guadalupe and Troneras systems and the generating potential at the La Ayura plant.

Simultaneously, the public enterprises have ordered preliminary studies on the installation of a coal-based thermoelectric power plant.

In addition, possibilities of using other alternative energy sources such as natural gas, solar energy and nuclear energy are being studied.

Within the jurisdiction of this department, there is a hydroelectric potential which can be developed economically of 6,327 megawatts, in addition to the 693 which were in operation as of the time the analysis was begun, and the 9,830 megawatts established by the ISA study on the Cauca River, plus the potential of 1,550 megawatts on the Guatape River in San Carlos, 170 from Jaguas and 240 megawatts from Playas.

New Developments

One of the most ambitious projects involves the diversion of the Nechi, Pajarito and Dolores rivers into the basin of the Guadalupe River, in the northern part of this department.

Plans call for increasing the average usable flow there to the Guadalupe and Troneras plants by about 8 cubic meters per second, the equivalent of 25 percent of the present flow.

The total cost of this project comes to 436 million pesos, which will be guaranteed by Bank of America loans.

Another medium-term project pertains to the new Guadalupe plant, which will have a generating capacity of 140 megawatts as compared to the 15 it currently has.

The project calls for the building of several structures, the addition of a second generating unit with its new penstock and intake installations. The cost of this project is 66.9 million pesos.

Plans also call for the expansion of the Troneras powerplant with a view to utilizing the greater flow of the Guadalupe River, thanks to the diversion of the Nechi, Pajarito and Dolores rivers. The investment in this project will come to 245 million pesos.

Other studies to establish the hydroelectric potential of this department carried out by the Medellin Public Enterprises pertain to the Nechi River, which has a hydrographic basin of 14,500 sq km.

According to the preliminary studies, projects with a potential ranging between 1,220 and 1,360 megawatts can be developed on the Nechi River.

The Valdivia project calls for a power plant with an installed capacity of 700 megawatts, which will discharge water, after it has been used, to the plant on the Cuca River.

Surveys have also been made at two river mouths, on the Porce River, Guadalupe 4, Riogrande 2, Tenche, Porce 2, 3 and 4, Riachon, the San Bartolome River, La Guaira, La Palmera, the Panderisco River, La Encarnacion, Cerrazon, the Samana Norte River, Tafetanes, Cocorna, Santo Domingo and Calderas, which may provide a hydroelectric potential in excess of 11,707 megawatts.

The Guatape River

The program for the integrated development of the Nare, Guatape and Samana rivers includes, in addition to the Santa Rita Dam and the Guatape power plant, the building of the San Carlos power plant, currently under construction, to have a total of 1,550 megawatts from its two stages; the diversion of the tributary channel of the Nare River by means of the San Lorenzo Dam and utilization of the flow at the Jaguas power plant; and also the building of the Jaguas Dam, where the reservoir will make possible not only regulation of the flow but also the building of the Playas power plant.

Finally, also on the Nare River, there is the possibility of building a hydroelectric powerplant at the Inmarco site, although no study has been made.

The San Carlos project will be built in two stages. The first will make use of the flow of the Guatape rivers, increased by the diversion from the Nare River, at the Guatape powerplant, with a 620 megawatt installation.

In the second stage, the water volume diverted to the Jaguas powerplant, with an additional capacity of 930 megawatts, will be utilized.

The Jaguas project is located on the Nare River, some 30 km downstream from the Santa Rita Dam, and will use the water flow taken from this section of the river.

A Francis-type turbine of 120 megawatts will be used in the underground powerhouse.

The third project included in the hydroelectric development program on the Samana River is the Jaguas project. It is located on the Guatape River, at a point between the head of the Jaguas project and the Puchina Dam of the San Carlos project. The dam will be of the compacted fill type, 66 meters high, creating a reservoir with a usable capacity of 115 million cubic meters.

5157

CSO: 3010

SECONDARY RECOVERY OF CASABE WELLS PLANNED

Bogota EL TIEMPO in Spanish 26 Nov 80 p 20-C

[Article by Raul Chacon: "Casabe Oil Deposits Being Recovered"]

[Text] Barrancabermeja--With 74 billion pesos invested in the secondary recovery project, the Condor Exploitation Company proposes to extract 63 million barrels of crude oil from the deposits in Casabe, Antioquia.

The manager of the Colombian oil enterprise, engineer Enrique Amorocho, has stated that currently there are three drilling rigs being used to clear the wells, some of which have been capped since the departure of the Dutch concession holder, Shell.

Currently daily production comes to only 15 thousand barrels, with is sold to ECOPETROL [Colombian Petroleum Enterprise] at a concession price established by government resolution, this official said.

The government has given this enterprise a grant of 40,000 hectares, on which three production fields are located. The process of secondary recovery involves injecting water into the wells to extract the maximum of crude oil. This technique, used by ECOPETROL at the El Centro deposits, has produced positive results.

5157

CSO: 3010

NATURAL GAS POTENTIAL DISCUSSED

Bogota EL ESPECTADOR in Spanish 23 Nov 80 pp 4-C, 6-C

[Article by Simon J. Martinez Emiliani: "Natural Gas--New Wealth for Colombia"]

[Text] Until just a few months ago obtaining oil on international markets was an arduous task. There was a short supply of this product making possible dealings on the spot market at prices far above those officially established by the OPEC. Today the situation is different. The dizzying spiral in the OPEC prices has come to a halt at an average of \$30 per barrel, and the spot market has begun to shrink appreciably. All of this is due to the surplus of oil available to be found in the Western world.

The delicate political balance in the Middle East in the past year was one of the factors which contributed most to creating a lack of equilibrium in the international balance between supply and demand of this product, and therefore to encouraging the rapid increase in its price. Thanks to the reduction in this tension and in oil imports by the industrialized countries as a result of the goals agreed upon in Tokyo last year, and the gradual replacement of crude oil by alternate sources, it is estimated that world oil consumption will increase from one year to the next by five percent, dropping from 52.8 million barrels per day in 1979 to 50.2 in 1980.

However, this seeming situation of abundance is subject to the decisions adopted by the OPEC as to the production of oil, and to the production increase which can be achieved in the future by the Western countries which are not members of that organization, and to the political situation in the Middle East.

The War Between Iraq and Iran

The conflict which has developed between Iran and Iraq clearly shows that any political change in the Middle East immediately has an effect on the normal supply of oil to the Western or free world. However, and to the relief of the countries which import this hydrocarbon, oil has continued to be shipped through the Strait of Hormuz, without major problems, at the rate of 16 million barrels a day.

This figure represents a little more than three-fifths of the total volume of the exports made by the OPEC prior to the war between Iraq and Iran.

When the conflagration between these two countries broke out, the problem the importer countries faced had its roots in the suspension of exports of oil and its byproducts by these two countries, which came to some 4 million barrels per day, in other words a 6th of the total OPEC exports and a 12th of the consumption of the Western or free world. The interruption of exports from Iran and Iraq has been offset by an increase in the production of Saudi Arabia and the United Arab Emirates. It is possible that Venezuela, Indonesia and other OPEC member countries are also contributing through an increase in their production.

Thanks to this policy, oil prices on the spot market did not develop abnormally last October, as occurred the year before when Iran decided to suspend exports. The apparent price stability seen on the international market, despite the war between Iran and Iraq, is a result of the decline in world consumption of oil due to the economic recession and more efficient utilization of this product; the increase in the production of Saudi Arabia during the last 12 months; and the accumulation of stocks in the Western or free world.

Natural Gas

However, the lack of certainty of an adequate and timely supply of oil has led the countries with a shortage of this product to step up their programs for substituting alternative sources for crude oil. Among these alternatives, natural gas has taken on significant importance to the point that it is regarded today as one of the most valued energy substitutes in the world.

Estimated World Commercial Production of Natural Gas and Known Reserves (in billions of cubic meters)

	1978	1979	1970	1980
Canada and North America	633.65	631.94	9,264	8,015
Caribbean Area	32.31	38.19	1,255	3,243
Other South American Countries	15.14	15.94	396	804
Middle East	43.77	36.88	6,864	16,839
Africa	20.91	29.61	5,081	5,136
Western Europe	184.91	198.22	4,117	3,742
Far East	70.94	77.86	1,606	4,924
Russia and Eastern Europe	428.42	460.43	9,516	31,145
Total	1,430.05	1,489.07	38,099	73,848

World demand for gas has maintained a stable rate of growth since the beginning of the 1970s. Last year, demand increased on an average by four percent. The main consumers of this hydrocarbon are the United States, the Soviet Union, Canada, the FRG and England. Total production increased from 1.430 billion cubic meters in 1978 to 1.498 billion cubic meters in 1979, as can be seen in the table above. In terms of energy, this production was the equivalent of some 26 million barrels of oil.

OPEC production increased from 6.8 percent in 1978 to 7.2 percent in 1979, that of the United States dropped a little, while that in Eastern and Western Europe, the Far East and the small producer countries in Latin America and Africa showed a substantial increase.

New Source of Income

The gas-bearing structures which have been discovered in our country have resulted from drilling done in the search for oil. This was how the El Dificil (Magdalena), Jobo-Tablon and Chinu (Cordoba) fields were discovered, as well as those in Chuchupa and Ballena (La Guajira), in 1973, just prior to Colombia's conversion from an oil exporter to an oil importer.

If indeed little importance was assigned to natural gas as a source of energy in the past, today it must be regarded as one of the bulwarks of our economy, not only as a substitute for oil and some of its byproducts, but as a possible source of income for our balance of payments.

Thanks to the discovery and development of the Chuchupa and Ballena deposits, the country has been able satisfactorily to solve the serious problem looming over the Atlantic Coast industries using the supply of gas from Cicuco, El Dificil, Jobo-Tablon and Chinu, which did not provide sufficient production and reserves to meet their demand entirely.

Following the discoveries at Chuchupa and Ballena, a number of exploratory wells were drilled on the Atlantic Coast in the hope of finding new gas reserves. Unfortunately, the results have not been very promising, which has slowed the development of the project the national government drafted for the utilization of natural gas.

The known reserves of gas came to 4.6 billion cubic feet as of 31 December 1979. This is equivalent to some 940 million barrels of oil, of which 74 percent is located in the department of La Guajira, at the Chuchupa, Ballena and Richacha deposits.

Currently these deposits are producing a daily volume of 130 million cubic feet, used mainly by the industries in Barranquilla, Cartagena and Santa Marta and for domestic consumption. This production can be increased in the future to 450 million cubic feet per day.

It is estimated that the reserves at the Cicuco, El Dificil, Jobo-Tablon and Chinu deposits will be exhausted in the early years of the next decade if the current production rate of 90 million cubic feet per day is maintained. Therefore, the projects for the utilization of natural gas should be based on the reserves in the La Guajira deposits and those which will be discovered in the future.

Supply and Demand

During the period between 1971 and 1978, the demand for natural gas increased at a compound annual rate of 8.4 percent. This rate of growth varied considerably due to the changes which occurred in the consumption by the electrification installations.

It is estimated that demand will increase substantially in this decade, from 255 million cubic feet in 1979 to 366 million in 1985 and 438 million in 1990, as can be seen on the following table.

Demand	1979	1980	1981	1985	1990
Barranquilla	100	122	144	148	149
Cartagena/Cordoba	81	100	126	160	175
Guajira (Palomino)	--	--	--	--	50
Santander	74	85	92	115	120
Methanol Plant	--	--	--	--	77
Total Demand	255				
	307	362	423		
Total Demand	255	307	362	423	571
Coal Substitution	--	--	-57	133	
Net Demand	255	307	362	366	438
Supply					
North Coast-Guajira	100	137	177		
Joho-Tablon	39	33	30		
Sucre-Caator	10	18	33		
Dificil-Cieuco	32	34	30		
Santander-Provincia-Payoa	74	85	92		
Total Supply	255	307	362	366	438

This consumption will be concentrated mainly on the Atlantic Coast, where gas will be used as a fuel for generating electricity, for the production of energy for industries and as a raw material for the petrochemical industry.

In this fashion the substitution of natural gas for almost all of the fuel oil being used in this region and in the two Santanders will proceed.

Toward the middle of the present decade, a part of the natural gas used on the Atlantic Coast will be replaced by coal produced by the CARBOCOL (Colombian Coal Company, Inc) operations, mainly in the cement plants and the electrical plants in Barranquilla and Cartagena.

Projects for the Use of Natural Gas

To date the national government has drafted four projects for the use of natural gas:

1. Methanol plants.
2. Palomino petrochemical complex in La Guajira (ammonia and urea plants).
3. Western gas pipeline.
4. Export of liquified gas.

According to the feasibility studies made by experts in these matters, the above-mentioned projects will be profitable. However, their development will depend on the additional reserves of gas discovered on the northern coast, since those known

do not suffice to supply the projects completely. For the time being, the national government must establish an order of priority.

The second table shows the volume of natural gas consumption for the projected methanol plant and petrochemical complex in Palomino, estimated at 50 billion cubic feet per day and 77 billion cubic feet per day, respectively.

a. Methanol Plant

In our view, this project is of great importance. It involves the building of a plant for the production of methyl alcohol, which could be mixed with gasoline.

Thus it would be possible to reduce the volume of this product imported.

Year	Barrels	Percentage Increase	Volume of Imports
1976	2,616,760	--	36,594,310
1977	3,459,924	32.2	51,454,777
1978	7,708,645	122.8	121,206,035
1979	9,302,998	20.7	314,651,075

Galerazamba-Medellin-Santa Maria....635 km
 Santa Maria-Bogota.....192
 Santa Maria-Cali.....240
 Total.....1,067 km

The table above shows the gasoline imports in the past four years and the increase in comparison to the immediately preceding year.

The demand for gasoline in 1979 came to 27,485,000 barrels and it is estimated that by 1985 this figure will reach 32,100,000. Methanol extracted from natural gas can replace a large part of this substantial volume.

The plans for this plant could be even greater if success is achieved in finding additional reserves of natural gas.

b. Petrochemical Complex

This involves the building of a plant to produce 450,000 tons of ammonia per year and 357,000 tons of urea per year, in order to reduce the deficit we have of these products. This would reduce imports of urea and would contribute to the production of fertilizers.

c. Western Gas Pipeline

This project involves the building of pipelines to transport gas from the north coast to the interior of the country, in order to supply the cities of Medellin, Manizales, Cali and Bogota with this hydrocarbon product, with a spur running to the refining and petrochemical complex in Barrancabermeja. This gas pipeline could be designed so as to cross the Cocorna field in Antioquia, where development has already been begun, so that the gas can be used there as fuel for the production operations using thermal methods.

The construction of this gas pipeline will provide the following benefits:

1. The quantities of fuel, ACPM, kerosene and propane used in industries and for domestic consumption will be replaced by natural gas.
2. The volume of fuel oil exports will be increased, contributing to compensating for the daily increasing value of imports of oil and oil products.
3. It will be possible to supplement the current supply of gas obtained from the Provincia and Payoa fields to the Barrancabermeja industrial complex toward the beginning of the next decade, if the exhaustion of these fields is not offset by new discoveries in the middle Magdalena region.
4. The crude oil which would be used at the Cocorna field, Antioquia, to generate electricity and steam in extracting the heavy oil concentrated there, would be replaced by natural gas.

This crude oil will be used to load the balance plant in Barrancabermeja to produce gasoline for engines.

The planned length of this gas pipeline is 1,067 km, distributed as follows:

Galarazamba-Medellin-Santa Maria, 635 km; Santa Maria-Bogota, 192 km; and Santa Maria-Cali, 240 km (source--PIN).

It is estimated that the market potential might be 150 million cubic feet initially, which could increase by 1990 to 230 million cubic feet per day, and by 1995, to 296 million cubic feet per day. The city of Bogota would probably consume 40 percent of this total.

Export of Liquefied Natural Gas

The liquefied natural gas project would involve the export of this product to the United States. Initially, two possibilities were considered, calling for the processing of 150 million cubic feet per day and 450 million cubic feet per day, respectively. The first of these possibilities was discarded because it was believed this proposal was not profitable. However, due to the increase which has been seen for natural gas on the international markets, it is now believed that this project might be economically feasible.

It can be concluded from the above figures that sufficient reserves of gas are not currently available to develop all of the projects we have mentioned. The national government will have to establish priority among them based on the programs being pursued by the CARBOCOL in El Corrajon, which will make it possible to replace natural gas with coal in the cement industry and the electrical sector.

5157

C80: 3010

DIN VIEW TAKEN OF REAGAN ADVISORS' DIVERGENT L.A. POLICIES

Caracas EL DIARIO DE CARACAS in Spanish 9 Dec 80 pp 20-21

[Article by New York correspondent Jose Ricardo Eliashev: "President-Elect Ronald Reagan Lacks a Latin American Policy"]

[Text] The latest controversy triggered among Reagan's group of advisors on international affairs involved the Latin American countries, as had occurred previously with the new president's advisors for South Africa and Taiwan. Just as in those instances, Reagan's close circle denied any overly explicit commitments to regimes considered to be repressive; and, this week, those handling the next administration's relations with the regime in El Salvador were publicly criticized by the new president's spokesman, James Brady. A few days earlier, members of a delegation of Salvadoran businessmen stated that Reagan's Latin American advisors had promised immediate, sizable military aid to the Junta governing that country, to destroy the guerrilla forces opposed to the regime.

Documents recently released in the publication of one of the two analytical groups preparing the forthcoming Latin American strategy indicate that there are vast differences in perception and analysis among the members of the advisory team. Those groups are at the Center for Strategic and International Studies (CSIS) of Georgetown University, in Washington, D.C., and the American Enterprise Institute (AEI), which also operates in the capital.

The Main Enemy

The next government's group of "Latin American experts" includes Roger W. Fontaine, James D. Theberge, Jean J. Kirkpatrick, Pedro Sanjuan and Constantine C. Menges. Fontaine is considered by several sources as the most prominent member of the group, and the weekly publication THE GUARDIAN gave assurance in its latest issue that he might succeed William G. Bowdler as future assistant secretary of state for inter-American affairs, the top-ranking post in the United States administration dealing with Latin America.

Contrary to what is usually thought, this group is not homogeneously Republican. Dr Kirkpatrick and Sanjuan have served in Democratic administrations. The woman participated in two important internal committees at the 1976 Democratic convention; while Sanjuan served during the early months of the now moribund administration of James Carter as assistant to Hamilton Jordan, the White House chief consultant.

The present Latin American policy group of the next administration is, therefore, quite bipartisan in origin; something which insures a relative degree of universality in the plotting and implementation of its policy recommendations.

Menges is affiliated with the Hudson Institute, an academic organization located near New York and publicized by the often spectacular forecasts of its official "futurologist," Herman Kahn.

Fontaine, who is 39 years of age, has written "Brazil and the United States" and "On Negotiating With Cuba," in addition to "Latin America: Struggle for Progress," in collaboration with Theberg. Fontaine has often been described as an expert on Cuban affairs. In a recent interview granted to this correspondent in the CSIS offices, Fontaine explained why the only picture decorating the walls of his office was a print containing the photographs and names of all members of the Politbureau of the Communist Party of Cuba: "One must be aware of the main enemy at all times."

Differences Among the Advisors

A recent study by Fontaine demonstrates serious differences with respect to Sanjuan's views, with features that warrant the claim that the opinions of the former are more realistic and moderate than those of the latter, even though both share a radically anticommunist viewpoint. Fontaine's study, which was also signed by a former official of the Central Intelligence Agency (CIA), Cleto Di Giovanni, Jr, and by a "Venezuelan businessman educated in the United States," Alexander Kruger, is significantly entitled "The Specter of Castro." Sanjuan's study is entitled "Why We Don't Have a Latin American Policy."

The first and most obvious differences are: a. Sanjuan does not believe in that Castro "specter," and strives to prove that the United States should make an effort not to overestimate the danger of what he regards as a regime in an acute state of decline, the Cuban revolution. b. Fontaine is convinced that the Latin American policy applied by the liberal sector brought to the State Department by Carter has been marked by complete, indisputable coherence; while Sanjuan thinks exactly the opposite about it.

Fontaine claims: "The Carter policy (toward our neighbors to the south) is a coherent, profound repudiation of the past (...). Unlike the policies applied by this administration elsewhere in the world, its policy in Central America and the Caribbean has been aimed at the attainment of carefully considered and well defined goals, which have remained intact; because the regional differences have not received too much damage from the publicity that would be embarrassing for the government." And he adds: "Jimmy Carter's foreign policy for Central America and the Caribbean has been devised over a long period of time by individuals who rejected traditional foreign policy concepts and who devised a policy that has provided the native leftist-oriented movements backed by Cuba with opportunities for progress that are unprecedented since World War II."

Sanjuan has a very different view when he makes an assessment of the past 4 years of United States policy toward Latin America, which he depicts as "a mixture of incompetence, arrogance and ignorance." After claiming that Carter approached international policy matters with a "rural attitude," he states that, between 1976 and 1980, the United States underwent "one of the most confused periods in the implementation

of its foreign policy. Any competent observer must have serious doubts as to whether what the United States attempted to put into practice in Latin America during the past 3 and a half years could even be called a policy."

According to observers, this sharp discrepancy in the evaluation of the immediate past could cause an extensive breach between Reagan's Latin American advisors when it is time to devise his policies for the short and medium term.

Castro Is Not a Revolutionary Hero

Fontaine, shows certain signs of accepting the reality in his view of Latin America. For example, he agrees that the present government junta formed in El Salvador by the Armed Forces and the Christian Democrats is an invention of the State Department, and, on another topic, he admits that what Cuba has with the Soviet Union is a "marriage of convenience." This hardly ideologized view of the reality clashes with the inflamed emotion displayed by the Hispanic Sanjuan, in his view.

For example, Sanjuan, who upholds the almost racist concept that "growth is an organic psychological compulsion of the Soviet state," claims that "Castro has no system to export to anyone. He is not a world leader, nor an antagonist worthy of consideration by the United States; and he is no longer a revolutionary hero in Cuba either."

Compare these heated assertions with Fontaine's opinion: "While, in recent years, the Cubans have increased their influence in the Caribbean and faroff Africa, the United States has pursued an opposite course (...). Few would claim that the Cubans have contrived the crisis in Central America on their own. On the contrary, the instability of the region originates in the historical inequalities among the social classes, which have produced political and economic frustrations among large masses of citizens. (...) We agree that the opposition to Somoza in Nicaragua was very widespread, and that the Cuban backing for the Sandinists was only one ingredient in the revolution."

Sanjuan, for his part, is convinced that, "Fidel Castro is (...) an incompetent socialist, even when he is judged on the basis of the normal failures of socialism." He is of the opinion that the Cuban leader can maintain his power only because he is oppressing his country "in an economy which he has deteriorated rather than improved, and in a nation which was once proud, and which he has reduced to the status of a subservient puppet of the Soviet Union."

The observers underscore the difference between the notion of a "marriage of convenience" between Moscow and Havana upheld by Fontaine, and the idea of a "subservient puppet" of the USSR adopted by Sanjuan.

Mensheviks and Developmentalists

Nevertheless, neither of the two expounders of the forthcoming administration displays complete coherence, even in his own statements. Whereas Fontaine, all things considered, reveals a conspiratorial concept of history, whereby the briefcase that the former foreign minister, Orlando Letelier, was carrying at the time of his assassination contained an entire code leading to a Cuban plot on a hemispheric scale, Sanjuan starts with the same anxious view of the Havana authorities, ending up with revolutionary methods of economic development for a conservative regime.

In the latter respect, Sanjuan maintains: "Latin America's orientation has traditionally been toward the development of overseas markets for selling its raw materials. The customers were always Europe and the United States. With the progress of industrialization, the competitive development of the markets should be spurred on through the entire hemisphere, across national borders, not for the raw materials that were difficult to sell in the immediate past, but for the growing volume of consumer goods now and in the future, refined fuel and by-products, as well as diversified agricultural exports. The United States should take part in this process as a full partner, and not primarily as an exporter of finished industrial products and an importer of raw materials."

Thus, the extreme ideological right would describe some of Fontaine's positions as "Menshevik," while Sanjuan's views disclose a certain "developmentalist" trend.

Fontaine distrusts respect for ideological pluralism, and is convinced that the Carter administration acted in a detrimental manner toward the hemisphere's right wing regimes, favoring, rather, what he terms "the extreme left." However, the latter is not identified, and one might infer from Fontaine's views that the alleged "extreme left" could be embodied by the Salvadoran Col Adolfo Arnaldo Majano, the Panamanian Gen Omar Torrijos Herrera and other possibilities that the State Department at one time regarded as moderates in the region.

All things considered, Fontaine's view of the hemisphere is ominous. He claims that, as a result of the Carter policy, the pro-United States Nicaraguan dictatorship was replaced by a "pro-Soviet regime," the pro-United States military government of Carlos H. Romero in El Salvador was replaced by a left-center regime "backed by the United States Embassy," the current pro-United States military government of Guatemala "is under attack from the Carter administration for human rights violations," and Jamaica, "officially nonaligned, and with a tendency toward leftist oratory and action, has received generous assistance from the United States, without any apparent benefit to the donor." This was written prior to Michael Manley's defeat, when Washington was keeping all aid to the English-speaking island virtually frozen.

Although the different nuances are considerable, they do not conceal a broad ideological and political common denominator; but those differences could in the future produce opposition and controversy with respect to the critical policy of the incoming conservative United States Government toward Latin America.

2909

CSO: 3010

LATIN AMERICAN ARMED FORCES COMPARED

Mexico City EL DIA in Spanish 1 Dec 80 p 12

[Text] Paris, 30 Nov (AFP)--The three Latin American countries that stand out in terms of military might are: Brazil, which has the region's largest Armed Forces numerically; Argentina, which has the best equipped forces; and Cuba, whose forces are the most battle-toughened. These conclusions were culled from data gathered at AFP offices in Latin America and from files here.

With a population 12 times larger than Cuba's and almost 5 times larger than Argentina's, Brazil has a military force of 272,550 men (113,000 recruits), as compared to 206,000 in the Cuban Armed Forces and 139,500 (92,000 recruits) in the Argentine military.

For its part, Argentina is undertaking the largest arms buildup in Latin America, spending \$2.8 billion on defense in 1979, compared to \$2.09 billion in outlays by Brazil during the same year and \$1.1 billion by Cuba in 1980, even though its gross national product is estimated at 4 times less than Brazil's but almost 4 times greater than Cuba's.

With 19,000 men stationed in Angola and 16,500 in Ethiopia, according to the 1980-81 military assessment by the London International Institute of Strategic Studies, however, Cuba is the Latin American military power with the most recent war experience, in the African theater, inasmuch as Brazil's last military undertaking dates back to World War II on the Italian front, while Argentina's goes back almost 100 years, to the triple alliance war against Paraguay, along with Brazil and Uruguay.

Latin America's armed forces comprise a total of 2 million men, while the region's overall defense expenditures amounted to \$10 billion last year, \$6 billion of which was accounted for by the three aforementioned countries.

Military Alliances

A series of pacts and treaties link Latin American countries with each other and with the United States in the event of aggressions or threats across borders established by treaties (the Chapultepec Act of 1945), to provide for the peaceful settlement of disputes between countries in the region and for group self-defense in the event of an outside attack on one of the members

(the Inter-American Reciprocal Assistance Treaty [TIAR], Rio de Janeiro, 1947, and the Charter of the Organization of American States, which comprises the provisions of the TIAR).

The only country that does not take part in the inter-American system is Cuba, which was expelled in 1962. In 1975 the OAS agreed that member countries could normalize relations with Cuba.

In addition, in 1967 25 Latin American countries signed the Treaty of Tlatelolco banning nuclear weapons in Latin America.

Citing reasons of sovereignty, Cuba did not sign the treaty. Argentina signed but never ratified it, and Brazil did so but with a reservation on peaceful nuclear explosions.

For their part, the United States, the Soviet Union, Great Britain, France and China signed Protocol 2 of the Treaty of Tlatelolco, pledging not to use or threaten to use nuclear weapons against the signatory parties.

Argentina Updates Its Arsenal

The Argentine Armed Forces are in a full-fledged process of modernization.

The land army, which has 85,000 troops and around 250,000 reservists, has in addition to 100 U.S. Sherman tanks from World War II, 120 lightweight AMX-13's from France, and production is fully under way on the modern TAM (Medium Argentine Tank), 100 or so of which have already been put in service.

It recently purchased 50 Kuerassier antitank tanks from Austria and has ordered another 120.

The navy has 33,000 men. It has an aircraft carrier (a renovated former British vessel) outfitted with Skyhawk A4Q planes and recently announced that it would be buying 14 Super Etendard fighter planes from France.

The fleet also includes two modern German-built Type 209 submarines and some other U.S.-built subs from the end of the Second World War; 2 Type 42 destroyers, one of them built in Argentina, outfitted with Sea Dart missiles, plus another 8 U.S.-built destroyers; 2 guided missile frigates bought from France, and several Type 148 high-speed patrol boats. The navy also has 23 fighter planes, to be joined soon by the 14 Super Etendards.

The air force has 19,500 men and 206 fighter planes, including 9 British Canberra bombers, 60 Skyhawk A4B pursuit planes, 18 Mirage III-E purchased from France and 26 Daggers (Mirage III's modified by Israel) bought 2 years ago. It also has another eight Mirage fighter aircraft on order from France.

It also has some 40 IA-58 Pucarás, an Argentine-made twin-engine turboprop plane used for tactical support and counterinsurgency; it has another 20 on order.

The Armed Forces took power in Argentina in 1976; martial law had been in force since 1974. Executive power rests with a military president appointed by the Junta of Commanders in Chief and subordinate to it.

Military aid from overseas was cut sharply after the United States decided to suspend arms sales to Argentina based on Washington's charges of human rights violations.

Argentina and Chile have an ongoing border dispute in the south in connection with sovereignty over three islands at the mouth of the Beagle Channel.

This century-old conflict brought Argentina and Chile to the brink of war in late 1978 in the wake of the British Crown's unfavorable ruling for Argentina. The situation has been temporarily settled thanks to the intervention of a papal delegate.

Argentina engages in military cooperation mainly with neighboring nations, Uruguay, Paraguay and Bolivia, to which it generally gives materiel.

Brazil: An Arms Producer

The Brazilian Armed Forces, the largest in the region, attach priority to domestic technology and production to update their weaponry, relying on a modern industrial complex in Sao Jose Dos Santos in the state of Sao Paulo.

The land army, with a contingent of 182,750 men, has 60 medium M-4 tanks, several M-47's, 250 light M-41 tanks, 25 X-1 tanks and has 80 medium X-1A2 tanks on order.

The Brazilian Navy, with 47,000 men, consists basically of a light aircraft carrier, 8 submarines, including 3 Oberons, six frigates, 12 destroyers, 6 minesweepers. It has no fighter aircraft.

The Brazilian Air Force (42,800 men) operates with 173 fighter planes, including 14 Mirage III's, 33 U.S.-built F5E's, 5 F5B's and 70 Xavante counterinsurgency aircraft (the Brazilian version of the Italian Aeromachi).

The Brazilian Armed Forces, which took power in 1964, began a "political opening up" process in 1979. Brazil is not involved in any border disputes with its neighbors, does not receive outside military aid and has a military assistance mission in Paraguay.

Cuba Belongs to No Military Pact

Cuba has not signed any treaty entailing membership in a military bloc, but its Armed Forces use equipment common to the signatories of the Warsaw Pact, except for strategic bombers and nuclear weapons.

In the event of war, Cuba would mobilize in no more than a week a superbly outfitted force of no fewer than one million combatants, not counting auxiliary

services. The Corps of Territorial Militia Units, an institution similar to what Yugoslavia and Vietnam have, is currently being formed.

The Cuban Army, with 180,000 men, has more than 600 tanks, including 60 IS-2 heavy tanks, T-34's, T-54's, T-55's, 50 T-62 medium tanks and PT-76 light tanks.

The Cuban Navy, with 10,000 men, operates three Soviet submarines and several patrol and missile boats.

The air force, with 16,000 men, has 168 fighter planes, including 30 MIG-17's, 20 MIG-23's, 48 MIG-21F's, 30 MIG-21MP's, 40 MIG-19's and 15 MIG-15UTI's.

Constitutionally, the chief of state and head of government is the commander in chief of the Armed Forces, Raul Castro, who is first vice president of the Council of State and the Council of Ministers; he is also minister of the Armed Forces. Functions similar to those of a National Security Council are thought to be performed by the Political Bureau of the Central Committee of the Communist Party, whose first and second secretaries are Fidel and Raul Castro, respectively.

The USSR gave Cuba all of the equipment it received during the first 15 years of the revolution, but subsequent military aid is thought to have entailed economic compensation.

Soviet cooperation also extends to the training and further development of military officers. In addition, there are somewhat fewer than 5,000 Soviet military specialists in Cuba.

Venezuela: The Highest Defense Expenditures

Behind the three main military powers in Latin America, Venezuela, with an estimated GNP of \$39.3 billion in 1978, is the country that approved the heaviest defense expenditures in 1980: \$804 million.

As far as manpower is concerned, however, the Venezuelan Armed Forces are in eighth place, behind Mexico, Peru, Chile and Colombia as well.

The 27,000-man Venezuelan Army has 142 French AMX-30 tanks, 40 light AMX-13's and 12 U.S.-built M-8 all-terrain tanks.

The 9,000-man navy has four submarines (two German Type 209's; another two are on order), four missile-armed destroyers, five frigates, including an Italian Lupo guided-missile frigate received 3 months ago, while another five Lupo frigates are under construction and will be brought on line gradually in 1981.

The 4,500-man air force has 99 fighter aircraft, including 18 British Canberras, 9 Mirage III's, 20 F-86's and 18 CF-5's from the United States.

Venezuela is involved in a border dispute with Colombia over the delimitation of ocean and underwater areas in the Gulf of Venezuela and has a claim pending to the territory of Essequibo, some 150,000 square kilometers that represent close to 2/3 of the surface area of Guyana.

It has concluded a mutual defense pact with Costa Rica, a country that does not have an army.

Chile: The Sixth Largest Force in the Region

This country, which has the sixth largest military force in Latin America in terms of manpower (88,000 men, 21,600 of whom are recruits), spent \$726 million on defense in 1979; its estimated 1978 GNP totaled \$15 billion.

Its 53,000-man army (20,000 recruits) has 70 medium M-4 tanks, 10 M-3's, 60 M-41's and 47 AMX-13 light tanks.

The 24,000-man navy (1,600 draftees) has in particular 3 submarines (2 Oberons), 3 cruisers, 6 destroyers, 5 frigates and 3 corvettes, as well as 12 fighter aircraft.

Its 11,000-man air force operates 84 fighter planes, including 16 Hunter F-71's, 18 F-5E/F's, 8 T-33A's and 34 A-37B counterinsurgency planes. It also has 16 Mirage 50 fighter aircraft on order.

The Armed Forces have been in power in Chile since 1973, when they overthrew the constitutional president, Salvador Allende. In addition to its main border problem with Argentina in connection with the Beagle Channel, it is involved in another dispute with Bolivia, which is demanding an outlet to the sea.

Mexico: Second in GNP, Sixth in Military Outlays

Even though it has the second highest GNP in the region, put at \$91 billion in 1978, Mexico spent \$518 million on defense in 1979, the sixth highest total in the area, in back of Venezuela and Chile.

The Mexican Armed Forces, the fourth largest in Latin America in manpower with 107,000 men (it also has a 250,000-man militia made up partially of draftees), recently began a modernization process. As recently as 1977 it began replacing its cavalry with motorized units purchased from the FRG.

The army, with 83,000 regulars, has only M-3 and M-5 light tanks.

Its 20,000-man navy consists of older, American-made equipment, including 2 destroyers, 5 frigates, 37 corvettes and 13 fighter planes.

Mexico's 4,000-man air force has 70 fighter planes.

Peru Demanded Withdrawal of U.S. Military Missions

The Peruvian Armed Forces are the fifth largest in manpower (95,500, including 49,000 recruits) and the seventh in defense spending, \$366 million in 1979, with an estimated GNP of \$12.4 billion in 1978.

The 75,000-man army (51,000 recruits) has 250 T-54 and T-55 Soviet tanks and 110 AMX-13 light tanks from France, as well as 60 medium M-4 tanks built in the United States.

Its 10,500-man navy has in particular eight submarines (two German Type 209's), five cruisers, seven destroyers and six frigates (four are the Italian Lupo, outfitted with antisubmarine missiles and helicopters).

It has an additional four Type 209 submarines on order. Almost all of its larger vessels were built after the Second World War and modernized when Peru bought them. Two destroyers with antisubmarine equipment arrived over the last 3 months from Holland to replace older units.

The 10,000-man air force has 119 fighter planes, including 32 Canberras, 24 Mirage 5-P's and 23 Soviet-built SUJOI SU-22's. With the exception of the Canberras, this is modern materiel purchased over the last 5 years.

American military aid has been suspended since the early 1970's, as the regime of Gen Juan Velasco Alvarado demanded the withdrawal of U.S. military missions. Peru and Cuba are the only two countries in the region that own Soviet materiel.

Peru is involved in a border dispute with Ecuador relating to the delineation of the frontier in the El Condor Mountain Range in the Amazon region.

Colombia: Poorly Equipped

The Colombian Armed Forces command seventh place in the region in manpower (65,800 men) and eighth place in defense spending, \$215 million in 1979 (its estimated GNP standing at \$14.5 billion in 1978).

Its 33,000-man army (26,500 recruits) is very poorly equipped, having just a few M-4A3 medium tanks and M-3A1 light tanks.

The 9,000 men navy has four submarines (two Type 209's), three destroyers and five American frigates. Except for the two German submarines, the materiel is old.

The 3,800-man Colombian Air Force has 18 Mirage fighter planes.

In addition to the aforementioned border dispute with Venezuela, Colombia is involved in another with Nicaragua, which claims the islands of San Andres and Providencia and the keys of Serrana, Quitasueno and Roncador in the Atlantic.

As to the rest of the countries of South America, Ecuador has a military contingent of 38,800 men; Uruguay, 30,000; Bolivia, 23,800, and Paraguay, 16,000.

In 1979, Ecuador spent \$163 million on defense; Bolivia, \$118 million; Uruguay, \$72 million, and Paraguay, \$41 million.

Ecuador has 40 M-3 tanks, 80 AMX-13 light tanks, 2 Type 209 submarines and 50 fighter planes.

The Bolivian Armed Forces have in particular 18 Kuersassier antitank tanks and 41 fighter planes, including 18 Brazilian-made Xavante counterinsurgency aircraft.

The Uruguayan Armed Forces have 17 M-24 tanks, 18 M-3A1 light tanks, U.S.-made frigates, 2 corvettes and 20 fighter planes.

The Paraguayan Armed Forces have 13 M-4 medium tanks, 12 M-3A1 light tanks, 25 fighter planes and have 12 Xavante counterinsurgency aircraft on order from Brazil.

The United States has suspended arms shipments to Uruguay because it feels that the Uruguayan Government systematically violates human rights. The Armed Forces are in power.

Nicaragua: The Best Arms in Central America

In Central America, Costa Rica and Panama do not have armies but maintain paramilitary forces consisting of 5,000 and 11,000 men, respectively.

After the bloody war waged against the Somoza dictatorship, Nicaragua is considered to have the best equipped army in Central America, given the sum total of Sandinist weaponry and the arms captured from the National Guard. Its military manpower is estimated at some 10,000 men, backed by about 40,000 militiamen.

Starting with the war that it waged against El Salvador in July 1969, the Honduran Army entered a professional updating phase by sharply boosting the number of its troops.

They rose from 6,000 to some 11,300, while defense spending totaled \$31.4 million in 1979. It has 24 fighter planes, including 12 Super Misterio B-2's. The country receives American military aid.

Honduras and El Salvador signed a peace treaty last 30 October.

El Salvador, where a virtual civil war is going on, has a 7,000-man Armed Forces and spent \$72 million on defense in 1979. It has 12 AMX-13 light tanks, 17 Huracan planes, 4 Super Misterios, 4 Magisters and 6 Rallye counterinsurgency aircraft. The Military-Christian Democrat Junta that governs the country receives major military assistance from the United States.

The Guatemalan Armed Forces have 14,900 men, and the country spent \$76.8 million on defense this year. It has several Stuart light tanks and 10 fighter planes.

American military aid was cut off in 1978 on account of human rights violations. It cooperates militarily with Colombia, Venezuela, Uruguay and Argentina.

Guatemala, El Salvador and Honduras are on the Central American Defense Council, which was formed several years ago to coordinate the extraterritorial defense of the countries in the region.

The Dominican Republic has a 19,000-man Armed Forces; Haiti, 7,000; Jamaica, 4,000 and Guyana, 7,000.

Their defense expenditures in 1979 were, respectively, \$91 million, \$18.4 million, \$17 million and \$17 million.

8743

CSO: 3010

ALARM EXPRESSED OVER LACK OF DEFENSE CAPABILITY AFTER INDEPENDENCE

Belize City THE REPORTER in English 14 Dec 80 p 2

[Editorial]

[Text] The people of Belize do not have to submit to the government's time-table for independence. Even though there is a constitutional conference set for next February and the United Nations has set up parameters within the year 1981, the people of Belize, exercising their right to decide their own future, can adjust this time-table and expand these parameters.

There are compelling considerations which should make us want to change them, and the most pressing of these is that Belize is not in a position to defend herself against a hostile neighbour, and Britain, her only visible defence partner, is not willing to do so once the country becomes independent and develops its own autonomous foreign policy.

The Government of Belize has not been able to come up with anything comparable to replace the British once the troops are withdrawn in a year or two or three. Belize will not only lose an effective defence umbrella, but the spin-off effects of the \$10 million a year which Britain spends to maintain it as well.

All the discussion about an international peace-keeping force has not produced a clear plan of action in case the Guatemalans decide to come across the border in force. Even if the Guatemalan army does not march in as a visible target, Guatemala can patrol our waters with its gunboats or choose to come across in platoon-size groups to take up positions in the highlands of Punta Gorda. They could stay indefinitely, sapping our human and other scarce resources and bleeding our country.

In the Belize context a peace-keeping force must necessarily be of a and quality to deter those which we know the Guatemalans have, and since the Guatemalans own fighter and bomber aircraft, the peace-keeping force must have some air cover so that our ground forces do not become sitting ducks. [sentence as published]

If Belize is to resist the Guatemalan advances, she must have these military capabilities. And we don't see any country, apart from Cuba, willing and able to provide such an expensive deterrent force. Once Belize goes to Havana for

military help however, we fling ourselves irretrievably into the Communist Camp, and even if the United States takes no restraining action, we would be committing ourselves and our country, as the people of Cuba did 25 years ago, to the bleakness of Marxist regimentation and a Marxist-Socialist economy.

There is another side to this coin however, and more and more this looks like the real thing. Belize could show token resistance to the Guatemalans, and after a "respectable" period allow them to have their way, like the lady who furiously resists being taken--then settles down to enjoy it.

Is this the real plan? Are our RDP boys being trained as cannon fodder in a secret plan to save face while giving the Guatemalans all that they want?

We don't know the answers. But there is a growing unreality about Belmopan's plan for independence. The plan is over simplistic and too slick by half. It does not take into account the realities of today's situation. It is not only an ego trip with 140,000 persons on board. It looks like an elaborate conspiracy!

Belize has maneuvered herself deftly into a corner from whence it appears we have one of two choices open to us--either we yield to Guatemalan rapaciousness, or we join the Communists and become associates of the most nefarious dictator of the New World!

But the soul is dead that slumbers, and things are not what they seem. We have a third choice. We can return to the negotiating table. We can insist on a referendum. We can spike the independence talks by returning the RDP to the City Council.

We can do all this and more. We do not have to stand like sheep and be led to the slaughter. Come on! How about it?

CSO: 3020

GUATEMALA SEEN PREPARING FOR 'PROPAGANDA OFFENSIVE'

Belize City THE REPORTER in English 7 Dec 80 p 2

[Editorial]

[Text] Last week's issue of the TOLEDO STAR, the newspaper organ of the minuscule Toledo Progressive Party, reported that Belizean soldiers have been undergoing training in Cuba, Panama and Nicaragua as guerrillas.

Quoting one of those Washington lobbyist organizations which calls itself the American Security Council, the STAR reports that the Belize guerrillas are joining Guatemalan terrorists who are trying "by force to put down the government of President Romeo Lucas Garcia."

This report has the flavour of pure propaganda, and we don't think there are many persons in Belize who believe it. But the charge is a sinister one. If the report is being circulated in Guatemala, and the overwhelming odds are that it is being circulated, it probably means that Guatemala is setting up the groundwork for a propaganda offensive against Belize.

If this report has been deliberately planted by the Guatemalans, and we have a sneaking suspicion that this is exactly what has occurred, the reason for it must leap to the mind. The Guatemalans are preparing to use this rumour to drum up hostility to Belize and to recruit support for their own military build-up.

If the Guatemalans can convince themselves that Belize is making plans to move against their government, or as they put it, "trying to force to put down the government of President Romeo Lucas Garcia" through a guerrilla movement, it is only a short step for the people in the Guatemalan military to start justifying counter measures.

For if Belize can move to de-stabilize the Guatemalan government, what is there to stop Guatemala from moving to de-stabilize the Belize government?

This looks like a turn for the worse in Belize-Guatemalan relations. It will need close watching in the months ahead.

CSO: 1020

AGRICULTURAL PRODUCTION ESTIMATES IN SOUTH-CENTRAL REGION

Soybean Yields To Fall

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Dec 80 p 36

[Text] Exports of soybeans and derivatives (beans, meal and oil) may reach \$3.2 billion in 1981 compared to \$2.6 billion this year, according to estimates by the chairman of the Production Financing Commission (CFP), Francisco Villella. This forecast, however, will be confirmed only if the production estimate of 15,102,000 to 15,797,000 tons of soybeans for the 1980-81 crop year is fulfilled, which represents an average production increase of only 3 percent in relation to the previous crop year.

But such optimism is not shared throughout the Agriculture Ministry, as estimates made officially by others in the ministry indicate that soybean products will be 14.7 million tons at the most, which corresponds to a reduction of 2 percent in the area planted and 4 percent in production, compared to the 1979-80 crop year. The same study warns that "Brazil may be missing a great opportunity to get a bigger share of the international market, which could be the result of government interference in marketing soybeans here and abroad."

Forecasts

Production estimates for the 1980-81 crop year in the South-Central region, released by the CFP yesterday, indicate an average increase of 6 percent in the planted area of rice, beans, cotton, soybeans and corn. It also reports that only peanuts will have a smaller planted area, estimated at 34 percent less. The area of corn will increase 13 percent and that of beans planted during the rainy season, 9 percent. In terms of output, beans will increase 34 percent and corn, 14 percent.

If the CFP predictions are confirmed, cotton production should be between 440,000 and 472,000 tons, compared to 450,000 tons in the previous crop year; that of peanuts, between 233,000 and 276,000 tons, compared to 385,000 last year; rice, 7,696,000 to 8,207,000 tons, compared to 7,807,000 tons in 1979-80; beans (first crop), 1,319,000 to 1,372,000 tons, compared to 1,001,000 tons in the previous crop year; corn, 21,485,000 to 22,409,000 tons, compared to 19,285,000 tons in the previous crop; and soybeans, 15,102,000 to 15,697,000 tons, compared to 14,888,000 tons in the 1979-80 crop year.

In regard to soybeans, the Agriculture Ministry study reveals serious concerns about the next crop year's results. Analysts are assuming a reduction in average yields nationally. Whereas the CPP estimates an average yield of about 1,750 kilograms per hectare, the Agriculture Ministry study assumes only 1,700 kilograms. The expected reduction is based upon less use of chemical fertilizers due to their high price in comparison to the Basic Operating Cost (VBC) and also the shortage of financing for fertilizing to correct fertility and acidity of soil and the higher prices for certified seeds, the price of which tripled in comparison to that of the grain harvested by the farmer.

Agriculture Ministry specialists demonstrate that, to correct soil acidity and fertility, the farmer would have to spend [about] 16,000 [figure unclear] cruzeiros per hectare and warns that "betting on the farmer's financial capacity to assume disbursements not covered by farm operating costs or for investments is an extremely optimistic aspiration."

Rain Delays Soybean Planting

Rio de Janeiro GAZETA MERCANTIL in Portuguese 29 Nov-1 Dec 80 p 10

[Text] Porto Alegre—The steady rain that fell on Rio Grande do Sul and Santa Catarina during November caused a slight delay in soybean planting but has not harmed the crop. As this paper was informed by the FECOTRIGO [Federation of Brazilian Wheat and Soybean Cooperatives] technical director, Joao Lena, over 60 percent of the 3.9 million hectares forecast for the 1980-81 crop year have been planted. "The rain was heavy and, besides causing delay in some regions, required some crops to be replanted."

In Santa Catarina, according to surveys by the Technical Department of the Federation of Farming and Livestock Cooperatives (FECOMAGRO), planting is proceeding slowly, no more than 30 percent of the forecast area being planted. There also was a reduction in the soybean area in relation to the 1979-80 crop year, from 520,000 to 494,000 hectares. The rain, however, was beneficial for the corn and rainy-season bean crops of both states.

Corn Has Larger Area

The Santa Catarina corn crop will occupy an area of 1.2 million hectares (78,000 hectares more than in the 1979-80 crop year) and about 80 percent is already planted. The Rio Grande do Sul corn crop is also almost all planted and should be 2.2 million hectares this year. The exceptions are in the Passo Fundo and Pelotas regions, where 10 percent and 60 percent respectively of the forecast areas are not yet planted.

In the area of the Passo Fundo Wheat Cooperative (COOPASSO), with about 40,000 hectares planted, some delay in planting corn was caused by low levels of mechanization. "But the weather has been good and the rain assures supplies to water sources, which is very important," the COOPASSO technical director, Telmo Coach, explained.

This year the Santo Angelo Wheat Cooperative (COTRISA) will have 300,000 hectares in soybeans and 40,000 hectares in corn. Half of the latter area is in early corn. "Within 15 days our corn crop will be settled and if the weather keeps up as it is now, we will be harvesting 50 to 60 sacks per hectare in January," the COTRISA superintendent, Silvio Aristeu de Souza, estimated.

The bean crop has very little economic importance in the agriculture of these two states. Rio Grande do Sul will have 176,000 hectares and most of this crop is in a stage of vegetative growth. In Santa Catarina the area of rainy-season beans will be somewhat larger, about 189,000 hectares (9,000 hectares more than planted last year). Irrigated rice is coming along quite well. Planting is well along and 80 percent of the 580,000 hectares forecast for the 1980-81 crop year have been planted. At this time last year 60 percent of the forecast area had been planted.

Rain Damages Wheat Crop

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Dec 80 p 23

[Text] The reduction in Rio Grande do Sul wheat production, initially forecast at 43.4 percent, could be even greater due to the rain that fell on the state all this week. That is the report of the Rio Grande do Sul Rural Extension and Technical Assistance Enterprise (EMATER/RS). The area planted to wheat (1.3 million hectares) should produce about 1.5 million tons. But the rain, which hit the crops at the stage where the ears are maturing, lowered production to a little more than 859,000 tons. With more rain this week, that figure should drop even more.

In the Santa Maria region--where hailstones up to 10 centimeters in diameter and 400 grams in weight fell on 1 December--some greens, corn, watermelon and cassava crops were totally destroyed. Besides delaying planting of rice, soybeans and corn, the excessive moisture caused fungus diseases such as anthracnose and wheat rust. There are as yet no precise statistics about the total reduction of the crop in the region's 29 municipalities. In the 48 municipalities around Porto Alegre, damage was greater. Ten percent of the corn crop was destroyed by erosion and leaching.

Rain Also Brings Benefits

Rio de Janeiro GAZETA MERCANTIL in Portuguese 6-8 Dec 80 pp 1, 9

[Text] Brasilia--Brazil should harvest 55 million to 56 million tons of grain in 1981. The planted area will grow a little more than the 6 percent announced in October when the Agriculture Ministry made its first estimate of the 1980-81 harvest.

The heavy rains that hit several of the nation's regions in recent days--judging by information from state agriculture secretariats, regional offices of the Agriculture Ministry and reports of the Production Financing Commission (CFP)--did not harm the crops. "Other than replanting some corn in Sao Paulo and Minas Gerais, there is no indication of harm to either yield or output," Agriculture Minister Amaury Stabile told this paper Friday. And the information collected by this paper in various producing areas of Sao Paulo, Rio Grande do Sul, Parana and Minas Gerais is that the rain brought more benefit than damage for crops.

When compared with the 52 million tons of grain harvested in the 1979-80 crop year, the crop expected by the government could represent an important increase, as the point from which it takes off is high: in 1979-80 the weather was good and an increase of 8.5 percent in planted area was obtained after 2 years of failed crops and low yields. But the new estimate is less than the 60 million tons optimistically projected by the government at the end of the last harvest.

According to Stabile, the production increase of about 7.7 percent should not be-- as it was this year--surpassed by the increase in consumption.

If the weather stays good, higher yields could result in a more significant production increase. The CFP is taking yields obtained in the most recent harvest as a basis for its estimate. If compared with average yields obtained in the 1973-77 period--years in which agriculture functioned relatively well--productivity increased 4.29 percent in 1980, the Agriculture Ministry calculates. During the last 30 years, the average productivity gain was only 3.8 percent.

Agriculture Minister Stabile believes the important point is that the gains in agricultural production came in a year when credit for investments in machinery and farm improvement was tight. After the middle of June the Bank of Brazil was limited to recycling repaid loans, falling short of demand for credit. In the discussion about basic policies for the 1981 monetary budget, Stabile agreed to an adjustment of interest rates and a limitation on coverage of subsidized rural credit for medium-sized and large rural business firms, but believes there is a point beyond which restrictive policies cannot go.

In his opinion, rural credit cannot have market interest rates, as was agreed upon at a meeting between the planning and finance ministers and their top aides on Wednesday.

"There cannot be market interest rates for financing harvesters, treating such purchases the same as refrigerators," the minister says. He feels that farmers investing in machinery and cattle should have access to subsidized credit, although in a smaller volume than rural producers financing operating costs or incorporating new area for planting.

The impression of his staff is that in February or March, when loan requests for buying harvesters accumulate just before the harvest, the government will have to give in, if it does not do so now. This is due to possible disturbances in the market for agricultural implements, where a finance program is not expected to be established, as is now the case of FINAME [Fund for the Financing of Machinery and Equipment] for industrial firms.

Perhaps an even more important guarantee--which has not yet been given Minister Stabile--is in regard to the price policy that will prevail in 1981. The necessary counterpart of higher interest rates next year, the guarantee of prices free from ceilings or food imports with built-in subsidies to the consumer, is not yet certain.

Rains Benefit Crops

Porto Alegre--The heavy rain that has been falling on Rio Grande do Sul since the beginning of last week--although causing several deaths and making thousands homeless in some of the lower-lying regions--does not worry farmers.

Managers of grain cooperatives interviewed by this paper explain that the rain was not uniform, nor was it very heavy in the soybean-producing area. "It is, in fact, beneficial for planted crops, although it forces farmers to interrupt planting," said Silvio Aristeu de Souza, general manager of COTRISA, in Santo Angelo.

Minimal Damage

In Ijuí, Passo Fundo and São Borja, according to reports from technical departments of cooperatives, the damages caused by heavy rain are insignificant compared to the benefits it brings to crops.

The same can be said for the irrigated rice crop in the southern part of the state, according to surveys made by FEARROZ. "We had some flooding of recently-planted areas, which caused the seeds to spoil. But this is no problem, because the damage is minimal," said Homero Pegas Guimarães, FEARROZ president.

Producers are generally pleased with the way soybeans and rice are coming along and with the final stage of corn and beans, which could have a good yield this year. The "early" corn will have to have at least a little more rain this month yet to be considered ready.

Over 60 percent of the soybean area--forecast at about 3.9 million hectares--is already sown. There is a slight delay, which is unlikely to prevent planting during the most suitable period. Of the 587,000 hectares forecast for irrigated rice, 80 percent is sown; the remaining 20 percent is in scattered areas outside the southern part of the state.

Less Fertilizer

What worries COTRISA management in Santo Angelo and neighboring towns, where nearly 1 million hectares are planted, is the use of fertilizer in smaller quantities than recommended. According to surveys by COTRISA and by some Bank of Brazil branches in the region, farmers are backing away from the high prices of fertilizer and in this crop year are using about 60 percent of the amount normally applied.

"The soybeans grow well at first, but show the effects later, when maturing, reducing the yield," says Aristeu de Souza in explaining that a yield of 22 sacks per hectare could fall to 12 sacks. "That is, if the weather cooperates." According to him, citing surveys by cooperatives and bank agencies, a significant number of farmers are using only 80 kilograms per hectare instead of the 150 kilograms recommended.

Problems in Low-Lying Areas

Although the rain that was still falling in Rio Grande do Sul at the end of last week is beneficial to the major crops--soybeans, rice and corn--the same cannot be said of minor (in terms of area planted) crops, such as greens, summer fruits, onions, and rice, corn and beans located in the valleys of the large and small rivers that empty into the Guaíba estuary in Porto Alegre.

Small holdings and mixed farming predominate in low-lying land near lakes or river valleys, where they are much more vulnerable to flooding during continuous rainfall,

as is now occurring. They are mainly in the eastern part of the state, dotted by many lakes (as well as the immense Patos Lake) and several rivers, such as the Sinos, Cai, Gravataí and Jacuí, all of which empty at the same point in Greater Porto Alegre.

Survey

Data about crop damage have not yet been computed and even the mayors of the municipalities affected (Torres, Osorio, Santo Antonio da Patrulha, Montenegro, São Sebastião do Cai, Camaqua, São Leopoldo and Santa Cruz do Sul, among others) do not know their exact extent, according to what they told Rio Grande do Sul reporters.

In Torres (northern coast), where the largest number of homeless and several deaths occurred, torrential rains and flooding swept away some planted areas of corn, tobacco, bananas, tomatoes and carrots. According to Mayor Cleo Biasi, his municipality lost 80 percent of the carrots and tomatoes planted and he is worried about the fact because Torres is the state's leading producer of carrots, supplying coastal municipalities in season, which will begin in a few days.

Small Farms

In Osorio and Santo Antonio da Patrulha, 100 kilometers from Porto Alegre, and also on the coast, rice, sugar-cane, watermelon and cantaloupe crops were lost, as well as corn and beans. There are thousands of small farms surrounded by innumerable reservoirs and lakes with important production of seasonal fruit such as watermelon and cantaloupe, besides irrigated rice, corn and beans.

Montenegro, São Sebastião do Cai and São Leopoldo have the most fruit and vegetable farms. The rising waters of the Cai and Sinos rivers threaten many crops and farms with certain loss which has not yet been estimated. These occurrences can cause some losses in the total crop of corn, bean and rice and also cause supply problems in surrounding areas during coming weeks.

Limited Supply of Seeds

Rio de Janeiro JORNAL DO BRASIL in Portuguese 15 Dec 80 p 12

[Text] Brasilia--Will the supply of farm products improve in 1981? The government assures us it will. But data do not show that. In a report Agriculture Minister Amauri Stabile received from his staff and showed to President Figueiredo, it is noted that the trend of seed production, which is essential for good agricultural production, for increasing yields and for reducing losses from pests and disease, continues growing at a very slow rate.

The production of rice seeds, the grain chosen by low-income people to eat instead of food produced from wheat flour (the prices of which are rising as subsidies are gradually being reduced), for example, increased only 2.3 percent this year, from 148,580 tons in the last crop year to 152,000 at present. Hence, in the 1980-81 crop year the rice harvest will be 9.7 million tons at most, only 0.06 percent greater than that of 1979-80. If there are any crop losses there will be a rice shortage, as consumption in Brazil is now 9,660,000 tons a year.

The Figures

Further evidence that supply is not likely to improve in the coming year is shown by the report's calculation that the production of seed corn, essential for producing animal rations, fell. It is not possible to grow corn with commercial yields without seed corn, which is hybrid and must be bought. The drop in seed production reduces the probability of corn production growing significantly.

Seed-corn production in the 1978-79 crop year was 127,970 tons and in 1979-80 was 110,000 tons. Notwithstanding, the Agriculture Ministry estimated that corn production in the 1980-81 crop year will be 24.8 million tons, 4.6 million tons more than in 1979-80. This projection is based upon an increase of 9.7 percent in the area planted to corn in the North and Northeast regions, which is unlikely to happen, given the prolonged drought plaguing the Northeast.

The increase in yield from 2,026 kilograms to 2,099 kilograms per hectare estimated by the Agriculture Ministry for the 1980-81 crop year is also threatened by the smaller supply of improved seed corn. If the yield from the 1980-81 crop is less than that of the previous crop, which has happened many times, output will be well below the forecast. This happened in the 1977-78 crop year, when the corn yield was 1,230 kilograms per hectare, less than that of the 1975-76 crop, which was 1,610 kilograms per hectare.

Comparing the two crop years, one notes the importance of yield for corn output: in the 1977-78 crop year, corn production in Brazil was 13,738,000 tons, 4 million tons less than the 1975-76 crop, when 17,844,000 tons were harvested. Another indication that corn yield is not likely to increase much--or even decrease--is contained in the report: the purchase of fertilizer fell 3 percent in Rio Grande do Sul and Santa Catarina and 14 percent in Parana--the nation's three largest producers.

The Agriculture Ministry report also estimates the arrival of the 1980-81 crop on the consuming market. According to its figures, the current corn crop will begin coming to market in January: between 825,000 and 860,000 tons from the three major producers. Production from other [states], totaling between 2,380,000 and 2,515,000 tons, will not arrive on the market until February. As these two figures add up to 15 percent of the expected crop, the corn market will not begin to receive stable supplies until March.

The tendency with rice is the same. In December the market will be receiving between 17,000 and 18,000 tons; in January, between 362,000 and 385,000 tons; in February, between 1,268,000 and 1,338,000 tons. The report also shows that there will be a decreased supply of beans starting next February. According to the Agriculture Ministry estimate, the consumer market received 166,000 to 173,000 tons in November; should be receiving 436,000 to 458,000 tons in December; 314,000 to 328,000 tons in January; 280,000 to 293,000 tons in February, by which time 90 percent of the rainy-season beans will have been shipped.

In the case of kidney beans, 24,000 tons came to market in November; 225,000 tons are expected to come to market in December; 179,000 tons in January; and only 46,000 tons in February. And that will be all the rainy-season kidney beans for this year's crop. Nor is the long-term prospect for beans very promising: according to the Agriculture Ministry 5-year plan, bean production will increase very little through the 1984-85 crop year.

The goals set by the Agriculture Ministry are the following: 2,500,000 tons in 1980-81; 2,568,000 tons in 1981-82; 2,637,000 tons in 1982-83; 2,708,000 tons in 1983-84; and 2,781,000 tons in 1984-85. This continues a trend established in recent years, when growth was also slight, causing supply problems: in 1976-77, 1977-78 and 1978-79 the crop was 2,307,000 tons, 2,395,000 tons and 2,280,000 tons respectively.

Estimates

Comparing the figures for planted area and for output per hectare contained in the Agriculture Ministry report on the current crop year, one can see clearly what is happening in agriculture and what can be expected in terms of next year's supply. The government estimated, for example, that at the most the output per hectare of rice in the 1980-81 crop year would increase 1 percent in the 11 states of the Central-South, where 90 percent of our rice is produced; it also estimated that the planted area will decrease between 3 percent and 4 percent in that region.

In regard to rice, the figures show the risk Brazil runs of again having to go to the international market to buy, facing the same problem of 1980, inasmuch as available supply is small: every large producer of rice is also a large consumer. The report's statistics show that the area planted in Rio Grande do Sul, the largest producer, remained stationary; and the planted area decreased in the only states with a production potential to stabilize supply: 5 percent in Mato Grosso and in Goias.

8834

CSO: 3001

ODUBER URGES DEMOCRACIES TO SUPPORT NICARAGUA

San Jose LA REPUBLICA in Spanish 26 Nov 80 p 4

[Text] What all we democrats of the world have to do is help Nicaragua consolidate a pluralist, democratic regime and not go around talking nonsense, said Daniel Oduber Quiros in commenting on the debate that has arisen in Costa Rica concerning the Socialist International's decisions to help Nicaragua.

Former President Daniel Oduber Quiros expressed regrets that two members of the Political Board of National Liberation joined in fueling a climate of international anticommunist hysteria by speaking out against the Socialist International's decisions in Madrid regarding Nicaragua.

Oduber, the president of the National Liberation Party (PLN) Board and vice president of the Socialist International, was referring to Gonzalo Pacio and Elias Soley, who sharply criticized the decision allegedly made by the conference of Social Democrat parties in the Spanish capital.

Oduber said that what really happened was that the conference approved the formation of a committee chaired by Felipe Gonzalez, from the Spanish Socialist Workers Party (PSOE), and members from nine other democratic countries, to prevent world public opinion pressure from leading to an invasion of Nicaragua, as is being plotted.

According to Oduber, Commander Bayardo Arce, the chairman of the Nicaraguan Council of State, who attended the meeting as an observer, reported that armies from countries in northern Central America were bent on invading Nicaragua and on destroying the revolutionary movement. This report, he added, coincided with the occurrence of dangerous incidents on the Honduras-Nicaragua border.

Oduber said that the heated debate that the decision has triggered in Costa Rica is based on a cable that did not tell the whole truth, but mainly on Costa Rica's at times justified dread that a communist offensive might in the future be launched against it from Nicaragua.

Rightwing dictatorships throughout the world are rejoicing because they feel that Regan's victory in the United States spells the defeat of the human rights issue. But these are infantile assessments, Oduber said, because no such change will

take place, and all of these rallying cries for witch hunts are accompanied solely by brutal anticommunist violence in which we have never believed.

Oduber ruled out the possibility that any superpower was interested in turning Nicaragua into a sort of Afghanistan. He asserted that instead Nicaragua is rapidly nearing democracy and the establishment of a pluralist regime. "What we have to do is aid this process by respecting Nicaragua's political dignity and autonomy, not go around talking nonsense ahead of time," he said.

What is really happening in Costa Rica, Oduber said, is that they are putting up a smoke screen to make Costa Ricans forget the frightful economic and social condition that the country is in.

The former president ruled out the possibility that Elias Soley and Gonzalo Facio have met with non-liberation politicians such as Mario Echandi just to consider his potential presidential bid. We are all friends of Echandi, he noted.

He pointed out later that Echandi one time mentioned to him his desire to run for president, "and on account of my respect for him, I did not say much. That is a decision that only he can make," he stressed.

With regard to Facio's and Soley's harsh comments on Nicaragua and the Socialist International, Oduber said that they are entitled to bring up their disagreements within Liberation or leave the party, if they wish.

"But I do not think," he asserted categorically, "that they are part of a scheme backing Echandi. And it is perhaps premature to think that they are going to leave the PLN," he said.

The former president then referred to the recent border problems with Nicaragua, asserting that coordination is what is needed. "When I refer to coordination," Oduber said in connection with his experience in this regard, which got him branded a traitor to his country, "I mean that we have to make the Nicaraguan Government realize that no invasion that could jeopardize the revolutionary process could be launched from our country.

"We have to coordinate border surveillance to prevent Nicaraguans and Costa Ricans from shooting at each other at every boundary sign. We must not forget how nervous Nicaragua is, because it feels that it is the victim of oppression. I will be the first one to place myself at the orders of the authorities to prevent Guanacaste from once again being the province that suffers the uncertainties of guerrilla politics in Central America, in which at all costs our country must not get involved," he concluded.

FAR TRAINING SYSTEM REVIEWED

Ideological, Patriotic-Military Aspects

Havana VERDE OLIVO in Spanish 23 Nov 80 pp 4-7

[Article by Ruben Fonseca Cervino]

[Text] The ideological education of FAR [Revolutionary Armed Forces] personnel is carried out under the direction of our party, with the participation of political leaders, organizations and apparatus and their alternates: political work leaders, party organizations and the UJC [Union of Young Communists]. The objective of such education is to give combatants an idea of the world based on the concepts of Marxism-Leninism and to ensure their active, transforming influence upon social development.

Our commander-in-chief has said, "It is our ideology which makes us strong and invincible." The ideology of our people is based on Marxism-Leninism, the only scientific concept in the world.

The scientific concept of the world is acquired under the influence of our society's entire training: the method of production, forms of distribution, social services, political-social activities and legal standards. Also exerting an influence on personnel are the specific conditions of military service, combat and political training, camaraderie, regulation of military life and other factors.

In the shaping of personal ideological convictions, there is a method for acquisition of the system of knowledge and skills which encompasses both natural sciences and political ideas and scientific understanding of the real world; in this process, the proper mastery of specific scientific concepts is of special importance.

Mastery of scientific concepts means penetration of the essence of the phenomena they depict; determination of their basic characteristics and that of objects; understanding the dialectic of their development; the unity of the general, particular and individual concrete abstraction. V.I. Lenin said that the formation of abstract concepts and their manipulation "already contain within them the representation, conviction and awareness which one has of the objective connection with the world." ("Complete Works," Vol 29, p 160).

In the formation of scientific concepts among personnel on active military duty, the basic role belongs to the system of Marxist-Leninist training and to political classes. Specifically, we now have had the experience of the years gone by and the conditions have been established for a more profound study of the bases of Marxist-Leninist doctrine by all personnel.

"The system of Marxist-Leninist training is now more stable and its content is more profound than at any prior time. It has succeeded in adequately combining the study of the basic principles of revolutionary theory with everyday problems and in a creative way has linked Marxism-Leninism with the theoretical problems of war and the army," said Antonio Perez Herreria, member of the Secretariat of the party Central Committee at the Third Meeting for Analysis of Attainment of the Agreements and Resolutions of the First Party Congress.

One indication of success in the formation of communist concepts, in the fight against the principles and vestiges of the past in the consciousness of the combatants, is the honorable completion of the various tasks and missions which the party has entrusted to the armed forces, the raising of awareness of military duty toward the fatherland by FAR personnel, the advances experienced in armoring the defensive readiness of our socialist state.

The formation of philosophic-scientific concepts must be accomplished through application of the entire extensive arsenal of means, methods and forms which are available to political leaders and workers. In this important work, a positive role is being played not only by study groups and political classes but also by individual reading of the classical writings of Marxism, the speeches of the commander-in-chief, the FAR minister and other party leaders, scientific literature and party newspapers and magazines. An important role is also being played by linkage of this activity with the ideological struggle in general and with the concrete problems of building socialism in our country.

Patriotic-military education has a principal objective of instilling FAR personnel and the coming generations with the spirit of socialist patriotism, with complete readiness for the defense of the fatherland and with loyalty to the Communist Party of Cuba.

Among the combatant masses, patriotic education is being carried out through study groups and political classes; subject matter and artistic evening sessions; visits to museums and historical sites; and other activities in the instruction process to awaken in the combatant his love for the people's traditions of struggle and his desire to imitate such traditions.

Young workers and other popular sectors receive political-ideological training which assures development of a solid conscientiousness in the fulfillment of their duties to the fatherland and the sacred internationalist duty of aiding other brother peoples.

A principal factor in patriotic-military and internationalist education has been the example of our leaders of independence. Antonio Maceo said that he would not sheathe his sword until he saw Puerto Rico free; our heroic guerrilla, Che, who gave his life for the independence of America; Guevara: "I, Guevara who are struggling, wherever they may be, are our brothers..." The leadership of our party, together with the teaching of these principles, has in practice led to the attainment of our objectives.

The spirit of sacrifice, tenacity in the completion of assigned tasks, relations among comrades, responsibility, faith in the party's correct political line, the readiness of the combatant to complete any task wherever and to maintain firmness

in any critical situation in accordance with his principles, depend upon political awareness. These qualities are firmly rooted in the Marxist-Leninist conception of the world, in the ideas and interests of the individual which are identified with the interests of all of society.

The ensuring of the qualities of a communist combatant is the responsibility of the political leaders and workers through ideological education and patriotic-military training.

"The party leaders and organizations in the FAR," according to the Programmatic Platform, "have the duty of carrying on continuing political work with the troops to bring them closer to the party; training them in the principles of proletarian internationalism; strengthening the ties between the FAR and the people; and developing firm patriotic convictions in all personnel."

The complex structure of personnel combat readiness objectively reflects the requirements imposed upon members of the FAR, and in a special way upon the command cadres and officers, who not only have to maintain high internal combat readiness but also must achieve this with their subordinates as a basic condition of the greater capability of our troops to defend the socialist fatherland.

Educational work in the creation of communist qualities in FAR personnel is the task of the entire party and its political entities, from the rank-and-file organizations to the Central Committee; it is the task of all political leaders and workers.

"Communist awareness is not an automatic product of structural transformations," our commander-in-chief emphasized in his report to the First Party Congress. "This must be forged day by day through the living experience of class struggle, through political education and through national and international information. For this purpose, we have the party, its orientation organizations and its schools, with the valuable and activist efforts of the revolutionary press and the mass communications media. With that magnificent school of patriotism and internationalism which are our glorious FAR and our Ministry of Interior; with the social organizations of journalists, writers, artists and professionals; with our editorial, cultural and scientific institutions.

"This is the immense force upon which our revolution can rely to move forward and be victorious in the battle of ideas."

After celebration of the First Party Congress, the raising of the level of education and culture of FAR personnel brought about an upsurge of new forms and means for the realization of ideological work, as required by more training of the cadres in this sector of party work, and active participation by all officers.

Twenty years have elapsed since the victory of the revolution. At present, the FAR are taking in thousands of youths who were born and are being raised in the new society which is being built in our fatherland. This necessitates consideration of the qualitative changes experienced by the new generations of combatants, so that the influence of the ideological work will be more effective and more in line with our needs.

At present, as the result of the improvement of ideological education and the class struggle during the period of transition in our country, a new kind of combatant is being shaped, a patriotic, internationalist and working combatant, the heir of the combat traditions of the Mambi army, of the heroes of Mocoa, of Gramma, of the rebel army, of Playa Giron, of the clandestine battles against bandits.

One of the central tasks of ideological work, during the last 5 years, consisted in educating our combatants in the communist attitude toward military service, which is part of common, necessary and useful social work.

Our political workers, by emphasizing the importance of strengthening the class character of combat readiness and better political orientation of personnel, established one of the principal directions of ideological work.

Marxist-Leninist training of officers experienced an appreciable increase after the celebration of our First Party Congress. The FAR Central Political Directorate developed and implemented new programs which envisioned the study of the documents and resolutions of the First Party Congress, the speeches of the principal party and state leaders, the Marxist-Leninist theory of war and the army, the political economy of socialism, with several topics applied to the military sector.

One achievement of ideological education was improving officer knowledge and skills evaluation, raising the requirements of semester examinations and the strictness of the rating system used during control, assistance and inspection visits.

The advances experienced in Marxist-Leninist education during the 5-year period made it possible to begin to impart the study of scientific communism to all units which, combined with extension of the conference method to the level of brigades and their equivalents, will contribute to the taking of new and positive steps forward in the teaching of Marxism-Leninism.

Similarly, an appreciable improvement was experienced in the political training of sergeants, soldiers and women when a new and stricter system of evaluation was implemented, which required the more precise measurement of knowledge and skills acquired by them.

These advances reflect the regular control which leaders, political organizations and political workers exercise over political training and their concern that there be systematic application of the standards and requirements set forth in the instructional documents of ideological work.

In this 5-year period being completed by our FAR, many tasks and missions have been successfully completed which have required of their political party activists and the UJC, and of all personnel, a great investment in energy, desire and revolutionary zeal.

Among these tasks and missions, the following are given as outstanding examples of extraordinary significance: the completion of internationalist assistance missions to the revolutionary processes of the People's Republic of Angola and Socialist Ethiopia; the assimilation of the complex and modern combat technology provided by the Soviet Union; the gradual increase in the qualifications achieved by small and large units in operational, combat and political training; the development of the basic materials for beginning and advanced studies; and the achievements registered in the continuing improvement of the FAR structure.

The participation of Lt Col Arnaldo Tamayo in the first joint Soviet-Cuban space flight, pursuant to the Interkosmos program, was another of the outstanding tasks undertaken by a representative of the FAR in the name of the party, government and the people of Cuba.

Our commander-in-chief, Fidel Castro, evaluated this event during the principal ceremony on 15 October 1980 when he mentioned the first Cuban cosmonaut.

"He is a symbol of the character, decisiveness, courage, worth, intelligence and revolutionary spirit of our people; he symbolizes our heroic combatants, heroic combatants who gave their lives for the victory of the revolution, for the defense of the revolution; he symbolizes the heroic internationalist combatants of our country; he symbolizes our internationalist workers; he symbolizes the vanguards of our working class; he symbolizes the exemplary workers; he symbolizes the heroes of work, ..."

In his report to the Third Meeting for Analysis of Attainment of the Agreements and Resolutions of the First Party Congress in the FAR, Div Gen Sixto Batista Santana, chief of the FAR's Central Political Directorate, described as satisfactory the course followed during the 5-year period in the sector of ideological education.

"The completion of these missions with satisfactory results," he said, "and the advances made in practically all sectors of the activity permit a satisfactory evaluation of political and ideological work."

However, he emphasized, "It is necessary to underscore those deficiencies which are still limiting or impeding the carrying out of ideological work among the troops, so that they can be eradicated as soon as possible."

MGR Military, Political Training

Havana VERDE OLIVO in Spanish 23 Nov 80 pp 28-32

[Article by Jorge Luis Blanco]

[Text] "In the developing and improving of the FAR, a principal role has been assigned to the leaders, officials, political workers and organizations of the party who, over the last several years, have trained combatants in the mastery of modern combat technology and, consequently, have learned contemporary military art and have marched at the head of their troops in the repulsion of the enemy's armed aggressions."

In this surface unit of the Revolutionary Navy [MGR], the combat readiness and political training plan is being strictly implemented. The men come and go from one place to another: on deck, in the machine room, in the war room, in each of the torpedo-launching sites, part of the program developed for the present year of instruction is now being carried out.

We reporters for VERDE OLIVO came to this base to learn how the party organizations are supporting everything involving the tasks and missions given to the defenders of our waters.

"A continuing increase in the combat readiness of our units is the center of attention of the party organizations," we were told by a squadron commander.

The problems on which the party must work in the Revolutionary Navy are many and diverse to successfully complete each and every assigned task and mission. Special importance, for example, is given to the political work being done on the ships when they are on a voyage or engaging in combat guard activities. As may be supposed, this increases the demands upon the seamen. Everyone must be prepared to quickly make ready and operate technical weapons and equipment. Doubtless in order to optimally perform these duties, the combatant must possess a high degree of expertise and the proper psychological attitude. It is this point which the communists must strengthen even more, particularly as it directly relates to man.

"Formalism and vagueness are intolerable in the party's political work in the combat guard, possibly the most complex and most important aspect of our political organizations' activity in this as in no other sector. In preparing soldiers for combat guard duty, the communists and political organizations place them, in the political-moral and psychological sense, in the strenuous situation of actual combat, calling for the actions needed in the event of a war."²

We met Ship Lt Pedro Machado Santana, commander of a surface and activist unit of the party, at work in the war room of his torpedo boat. [Name published both as Machado Santana and Santana Machado.]

As is known, the success of the vessel's activities depends upon how its commander behaves in difficult situations and upon personal qualities he possesses, which are reflected in the comportment of the entire crew. He is the most competent and experienced seaman to whose authority all the men under his command are subordinated.

Therefore, it can be said that the commander of a ship has been, is and will be the center of attention in the many activities of his ship by the political workers and party organizations.

"Without the party's support," Ship Lt Pedro Santana Machado said, "it would be almost impossible to perform the tasks of instruction for which I am primarily responsible and assure the proper combat readiness of my boat in general.

"During combat guard activities, for example, the party organizations are supposed to exert an effective effort designed to make the crew understand exactly what mission they are to undertake. Before beginning any voyage, the political orienter--or any other designated activist--meets with the seamen and clarifies all aspects of the combat or instruction mission which will be undertaken."

(At this point, the dialog was interrupted: at this very moment on deck, the political instructor was meeting with the crew. The commander of the boat explained that the instructor was providing information to his personnel about the current international situation.)

"Among the aspects to which most attention is given," Machado Santana continued, referring to the combat guard, "are maintaining the correct complement of the boat and properly utilizing its combined technology and weaponry; there is also a concern that the men are stationed correctly in their respective combat positions. The

political and party work, through specific clarification of these questions, brings out the unquestioned importance of the role it is playing in the maintenance of high combat readiness."

On the Front Line

"The political organizations do not directly organize combat training or the service of troops. They exert constant party influence which guides their activities."³

The party is to be found on the front line of all activities in the instruction process being carried out in the unit. The party organizations are familiar with and have an active influence on the combat life of the ships. Criticism and self-criticism are basic elements in the uncovering of deficiencies in combat training and in the education of personnel in general. Additionally, they support the commanders when it is time to take steps to ensure the normal evolution of the seamen's military training.

"Periodically, our cell analyzes matters relating to the instruction process. Successes are mentioned; however, detected deficiencies are principally covered to find quick solutions."

These comments were made by guard technician Ship Lt Agustin Santiago Gomez, secretary of the party cell aboard a torpedo boat and vanguard squadron during the period 1979-1980.

"Our squadron has achieved the top results in socialist emulation," he added. "At present, it is the Initiator Unit of Socialist Emulation in its Naval District."

"To what do you attribute this honor?" we asked him.

"I feel it was the work done by the party organizations and the UJC. They are giving Marxist-Leninist instruction to all personnel as a necessary element for emulation to achieve its principal objective, namely the correct completion of the instruction process and the raising of combat readiness."

"The role of the communist vanguard in the army and navy is clearly manifested in socialist emulation, with the help of which personnel are mobilized to successfully complete the tasks assigned to the armed forces by the party. Socialist emulation is principally channeled into the struggle to improve combat work standards and to shorten the times provided for making equipment and weaponry combat ready.... Emulation helps in the better conserving of equipment and weaponry, lengthening the time between repairs and savings in material resources."⁴

Testing Combat Readiness

During maneuvers, exercises or training sessions, the combat readiness attained during the Year of Instruction is tested. In the course of these activities, the work of the party plays an important motivational role. Every activist is eager to ensure that at every stage there is high morale among the seamen, cohesion throughout the collective, its organization and discipline.

"Maneuvers, exercises and training sessions," Corvette Lt Armando Dieguez Suarez said, "can be considered the principal instruction tasks that permit testing of the state of the unit's combat readiness. For that reason, the planning of political and party work plays a role of vital importance. Account should be taken of the preparation of adequate special emulation plans, the use of propaganda and all the steps to be followed in each of the stages: before, during and after the maneuver is completed, for example.

"During execution of these activities, every activist has a specific function with a view to exerting permanent influence on those surrounding him. There is one result to putting this into practice: most personnel resolutely put up with difficulties, and every man makes an effort to complete assigned tasks."

"After a maneuver is completed, what is the principal orientation of the party's work?" we asked.

"Look, very recently one of our ships had to take a training voyage. When it returned to base, both the party and the UJC engaged in the task of analyzing each of the activities undertaken; errors were examined and ways were devised to improve training even more while personnel are at sea."

"Among the factors which play a decisively important role in the successful execution of a maneuver of this magnitude and complexity is the activity engaged in within our units by the political organizations, under whose direction a large detachment of communists is working who, above all, urge the exemplary completion of their military duties...."

Maintenance of Equipment

The correct maintenance of combat equipment and weaponry is a vital element in assuring the instruction of troops. This task is not exclusively the responsibility of the commanders and technicians but is also, in a pointed way, that of the party organizations.

On this subject, Frigate Lt Ramiro Botello Ruiz of the guard said, "The party gives its support in this sector in several ways. One of these ways, by means of propaganda, is making known the importance of maintaining the equipment in perfect condition; the experience accumulated during the various inspections is generalized and is the subject of study; and, as the principal activity, the cells periodically make a minute analysis of the state of their equipment."

He added, "Of course, maintenance, conservation and the correct utilization of combat equipment is an activity completely organized by the commands at all levels. This task is carried out on the basis of orders and directives which establish the forms and periods for the specific utilization of each of the various kinds of combat equipment. The commanders, technicians and combatants have technical regulations, manuals, instruction sheets and other documents which enable them to efficiently do their jobs; however, political and party work undertaken in that direction, as in the rest of military activities, imprints upon its execution a profound political-ideological content and becomes a source of inspiration for the men doing the executing.

Direct Delegate

Perhaps no one is better equipped to discuss the work being done by the party in connection with the instruction process than guard Frig Capt Juan D. Vina Sosa, deputy chief for Political Work of the Naval District, whom these reporters visited.

"The Comrade Frigate Captain was selected direct delegate to the Second Party Congress," we were informed by the officer who escorted us to his office.

Captain Vina Sosa has a wealth of experience as a political worker in the FAR, an activity which he began in 1960, when he joined the first field artillery units established by the FAR.

We remind you that this year commemorates the 20th anniversary of the establishment of that branch of the service, of which he was one of the founders.

"Well, as a matter of fact I remained in that 122 mm battery to which I was assigned only a short time. After that I went to Escambray to fight the bandits who were operating in that region. It was there that I really began to get involved in political work. At that time, a party to help us with our work did not exist; thus, you can imagine the difficulties we had to put up with.

"In 1964, I entered the Revolutionary Navy; and from that time until now, I have been connected in one way or another with political and party work: I have held positions at the level of surface unit, squadron and, since 1967 in political sections, I have been deputy chief of that important activity.

"When it comes time to evaluate the work of party organizations in connection with the instruction process, we must keep in mind one very important factor, namely, that in the complex and nerve-wracking work to attain a high level of combat readiness, the communists have to be where the situation most requires that they be, however difficult that may be. I am referring to personal example, as communists, with their positive attitude exert a decisive influence on the successful completion of the tasks the crews of our ships have assigned to them.

"As regards the instruction process, political and party work has a vital commitment to support and seek solutions which will make it possible, for example, to shorten the time required to make the forces of the Revolutionary Navy completely combat ready, in the profound mastery and exemplary maintenance of the machinery and weaponry, improving the quality of instruction at all levels. This is achieved with the dedicated work of the political organizations, which educate personnel in the necessary political, moral and psychological qualities. This is a duty of the party.

"If you hear it said that in a unit the process of instruction of troops is not going well, you can be assured, without fear of contradiction, that political and party work is proceeding badly. That is an irrefutable truth."

Finally, Captain Vina Sosa mentioned his pleasure at having been selected to participate in the Second Party Congress and what this represents for the continued successful march down the road to socialism.

FOOTNOTES

1. From the Central report presented by Commander-in-Chief Fidel Castro to the First Party Congress.
2. A. Epishev, "A Few Questions About the Party's Political Work in the Soviet Armed Forces."
3. Idem.
4. Idem.
5. From the speech delivered by Army Gen Raul Castro, party second secretary and minister of the FAR, in the summary of the demonstration maneuver "First Congress."

8143

CSO: 3010

FAR PARTY SCHOOLS RUN BY PROPAGANDA, AGITATION DIRECTORATE

Havana VERDE OLIVO in Spanish 30 Nov 80 pp 7-9

[Article by Jose Czañas Reyes: "The Party Education System in the FAR; Its First Results"]

[Text] The thesis and resolution of the First Communist Party of Cuba Congress on the organization and development of the party educational system has been successfully complied with by the FAR [Revolutionary Armed Forces] with the consolidation of the three levels established: basic, middle and advanced for the Party Schools.

For compliance with such agreement, a serious and sustained work was performed by the party organizations, political organisms, particularly the Central Political Directorate of the FAR, which is the one which manages the schools through the Propaganda and Agitation Directorate. In a little more than three years, the conclusions of studies in one of the three levels by more than 20 percent of the party memberships of the armed institution has been achieved.

Without a doubt, this educational system has had a great influence on the political and ideological work of party members because of the better structure of programs, the application of didactic principles in the process of apprenticeships and the most rigorous selection of students and teachers.

At this time there are more than 120 basic, medium and advanced courses with a high enrollment of nearly 3,000 comrades, among whom are chiefs, officers, sergeants, privates, sailors and civilian workers, not counting those who are studying abroad.

The First School

The FAR Main Club is the pioneer in the work of party education in the FAR, four months after the first party congress was held, an advanced general training course was begun. Later on there were others on the basics of Marxism-Leninism and propaganda.

The classrooms of the club, suitable for teaching activities, were filled from the truly promising beginning. Months later, the party schools spread to the various armies, branches of the armed forces, divisions, regiments and similar units. By that time there already existed instructions from the chief of the FAR Central Political Directorate, containing the agreement of the council of that body, which instructed that these centers be created progressively in places where conditions existed for their successful development.

Early in 1976, the courses were begun with 61 basic schools and 14 middle-level schools with an enrollment of more than 2,300 comrades. The work was not easy because the units selected at that time had to issue the convocations for those courses and the political sections had to screen the applicants.

In keeping with the desires that this new activity proceed correctly, the Central Political Directorate held a short 3-day course in December 1976 for the school directors and for some propagandists of the armies, branches of armed forces, and leaders of the MINFAR [Ministry of the Revolutionary Armed Forces]. The course accomplished its purpose.

An important aspect of that beginning were other measures taken, prominent among which is the publishing of 15,000 copies of each of several books to insure the continuation of the courses for several years. The instructions on methods to be used with respect to subjects, course programs, study plans, curriculum, student control cards and other materials, were prepared.

Good Teachers, Diligent Students

"From its founding until today, the Advanced School of the FAR Main Club has graduated 164 comrades in four courses: two on general training, one on the Basics of Marxism-Leninism and another two on propaganda," says Lt Cmdr Nieves Milian, the directress of this school.

Nieves, who has long experience in teaching, since she has been involved in teaching directly or indirectly for 25 years, adds that the thing that attracts her attention the most is the high degree of interest shown by the party members in these courses, interest shown by the number of applications continuously reaching that center.

"Moreover," she adds, "attendance, which is in keeping with the nature of that student body, is good, and the rate of successful completion is even better. Obviously, these are adult, mature comrades with a certain background, who one night a week, from 1900 to 2300, punctually report to the classroom. It is well to emphasize that they have capable teachers, the great majority are officers who teach classes at the General Maximo Gomez Military Academy of the FAR."

On Tuesdays and Thursdays, at 1900 on the dot, it is easy to observe the student environment in a certain area of the Main Club. Tens upon tens of comrades of various ranks, grades, professions and careers, all of them party members, come there by various means with briefcases or books in hand and amid salutes and smiles talk briefly before going to class.

These schools have their own characteristics. There is no warning bell signalling the beginning or ending of classes, however, the surprising thing is that both take place punctually. Taking advantage of both circumstances, we talked with three comrades, whose summarized opinions appear as follows:

Toward a Better Vanguard

Lt Col Adalberto Avila Tortosa, chief of an FAR transportation unit: "As a student and a commander I believe that it is extremely important that party education be obtained in any of its levels. From the first class one can begin to put the knowledge acquired into practice, particularly in military psychology and teaching. As one delves more into the subjects, broad and heretofore unknown vistas are opened on the task that one performs."

Avila Tortosa continues: "Several comrades from my unit have graduated from that school. The improvement in the performance of their duties is obvious. I am taking the first year, and except for unavoidable circumstances, I have not missed a class. Although I assiduously participate in study groups and political classes, I believe that the best, because of the methods used and the quality of the teachers, is to have the opportunity to attend one of these schools. I feel pleased to be in it."

Lt Gladys Esther Boada is the substitute for the political work chief in the Crito de Baire Industrial Military Enterprise. She says: "This type of education allows us to attain a greater political and ideological development and, therefore, it trains us better for the daily struggle and the performance of our tasks. The many possibilities provided us by learning Marxist-Leninist theory are incalculable. Everything studied here can be put into practice in the daily work with man."

"I am on the third year and around the middle of 1981 I shall be finished. In our enterprise we have a basic school. It has a good enrollment and attendance ranges from 90 to 95 percent and we have a maximum of promotions. There is no doubt that this type of education is a real success."

Like many other teachers of the General Maximo Gomez Military Academy of the FAR, Maj Guillermo Odelin Chivas, instructor of Scientific Communism, systematically cooperates in teaching with the Main Club school. He says:

"I believe this form of party education to be very positive. To me, as a teacher, the most surprising thing is the interest shown by all the comrades with respect to the various subjects they are taught. These are men and women, many of the latter are mothers, who make a great effort to learn the maximum of the knowledge imparted. They achieve this because the grades in my classes are rarely low."

He adds: "In short, we can say that the resolution of the First Party Congress "On The Studies of Marxism-Leninism in Our Country," is being successfully complied with in the FAR because its cadres and party members adopt the principle issued in a part of that document which states that everyone must know Marxism-Leninism profoundly so as to be better able to play the role of vanguard accruing to us in the building of the communist society."

8908

CSO: 1010

RESERVE ENGINEER UNIT UNDERTAKES TRAINING MISSION

Havana VERDE OLIVO in Spanish 30 Nov 80 pp 54-57

[Article by Mario Rodriguez: "The Reserve in the First Echelon"]

[Text] For the small engineer reconnaissance unit commanded by First Lieutenant Tapanes, there is no difficult mission that is not accomplished with a high degree of efficiency.

The teaching ability of the young officer has had a positive influence in this. In addition to being fully aware of the concerns and nature of his subordinates, he has known how to lead them step by step along the necessary path of apprenticeship.

This group, consisting entirely of reserve soldiers, is also outstanding because of a high degree of discipline, awareness and acceptance of training, which undoubtedly has allowed the creation of the necessary unity among its members.

For each of these soldiers military duty together with a self-sacrificing effort in factories and shops, are two missions which go hand in hand because as they themselves reaffirm with their daily actions: What would the Revolution be without a solid defense?

Quality Training

"In the next 5-year period, the FAR [Revolutionary Armed Forces] will be provided with an appreciable quantity of even more modern combat equipment, which will be characterized by a high firepower, maneuverability and greater automation of its components... These tasks will require the multilateral training of our reserves, which play a decisive part in the defense plans of the country." (Central Report of the First Party Congress).

It is exactly 1430 when the reconnaissance soldiers with all their equipment prepare to put a new subject in the study program into effect: "The Engineering Observation Post."

After the first instructions from the leader, the march begins toward the place selected for the class, a short distance from the permanent site.

Activities will take place in a terrain with special characteristics, which requires the personnel to put into play all their skill and knowledge.

As we approach the area where the subject will be developed, the unevenness, mounds and abundant vegetation leap into view. All of this, we think, poses a real challenge to the soldiers, who with precision and speed have to prepare the observation post under the direct action of the "enemy."

The movement is accomplished in a surreptitious manner, taking maximum advantage of the broken terrain.

Finally, overcoming many obstacles, the small unit arrives at the selected spot.

The site selected could not be better. The topography actually demands great expertise in effecting observations at the same time that it facilitates them.

It is as if the natural surroundings performed the function of a great material study base capable of helping effectively in the solution of a complex problem posed by the leader.

The chief of the small unit indicates a high point. "Let us take a few minutes," he says, "so that you can familiarize yourselves more with this area before we begin with the first study question."

It was the right moment for learning some of the opinions of these reserve soldiers, who are always ready for the defense of the country.

A short way from us was Raul Armas Fonseca, a worker of the Industrial Fishing Enterprise.

Raul is the same internationalist soldier, the same communist who did not hesitate in taking a determined step forward when the existence of the young Angolan state was in danger.

"I believe," says Raul, "that the training of reserves is a very important task, something for which we must always be ready and accept with real enthusiasm."

Certainly this fighting veteran of the war in Angola, in which he participated in this same unit as an engineer, will never forget all the actions in which he took part for the rest of this life. They helped to improve his knowledge in this important and at the same time, dangerous, specialty.

"At this very moment," says Armas, referring to the importance of the class in which he is participating, "the leader has stressed the need for us to carry out all actions as much under cover as possible."

"For many perhaps this is just another requirement of the class, without being aware of the real need for it. However, thinking to myself now, as the saying goes, I note that it is a reality."

Raul accompanies his words with an anecdote.

He recalls how when he was on the southern front in the war in Angola, the chief of the unit gave them the mission of blowing up a bridge over which enemy forces had to cross.

Raul tells how the important mission was planned with a wealth of details, however, the enemy detected the presence of our troops and concentrated his artillery fire in that direction, making the operation much more difficult.

"At those moments," he says, "is when everyone understands that not only success but life itself depends on the proper camouflage."

The officer explains: "The objective of the class consists of having you learn exactly what the missions are that should be accomplished by each member of the engineer observation post, in addition to giving you the necessary practice for your conditioning and performance of observation of the terrain as well as of the enemy."

Moments later, the soldiers began the practical accomplishment of each of the study problems analyzed in the class.

One of the soldiers reports; "Comrade squad leader, I see a group of enemy soldiers planting mines to the southeast at Hill 101."

The squad leader carefully makes notes while the observer continues to follow the movements of the "enemy."

On our way back we witnessed training in the areas of mines and obstacles and in demolitions. The reservists enthusiastically make full use of every moment of the instruction period.

Something is obvious: For the members of this unit, maximum efficiency in the instruction process is a principle which is strictly adhered to, aware that on it will depend the degree of combat readiness and the successful completion of one of the agreements of our First Congress.

From the Rearguard

"Socialist Vanguard" is the name of this foundry and iron products enterprise, which is engaged in exceeding its production pledges in honor of the historic Second Party Congress to be held soon.

More than once the members of the reserve have been mobilized from its shops. Each time, the comrades who remain in the center double their efforts to make up for the absence of those who go to make up military units.

For all those who remain in the "rearguard," the intensification of the work shift is more than a duty, it is an honor which they accept with legitimate pride.

That is why, at the base of one of the electropneumatic hammers, we came upon internationalist soldiers, Jorge Soler Marrero and Jesus Garcia Rodriguez, hard at work. The latter is the shift chief.

Jorge has been in the enterprise 13 and one-half years and has acquired the status of Party candidate in it.

For him and Jesus and the rest of the comrades of the center, production and defense are two tasks which go hand in hand.

"As long as they remain at the tanks of combat training," says Jorge, "they can be sure that the rest of their comrades will do everything possible to maintain optimum production levels.

"In this way we are preparing even for the case of a real aggression in which the rearguard as well as the front have to contribute everything necessary for victory."

Jorge adds: "At this time we are doing four hours of voluntary work to make up for the absence of the comrades and in order to exceed our pledges in honor of the Second Congress."

Internationalist soldier Jorge Soler Marrero, member of the special battalion that guarded the Peruvian Embassy and the U.S. Interest Office during the "March of the Fighting People," says before the end of the brief interview: "I am sure that our comrades will accomplish the new mission assigned them while we remain in this other strongpoint here in the "rearguard."

Jesus Garcia Rodriguez is an expert operator of the electropneumatic hammer in addition to being classified as a "Blacksmith-A."

At this time Communist Garcia Rodriguez is a shift chief, however, he can often be seen at the hammer or doing other work which requires his presence.

As he himself declares: "I always take a step forward wherever I am needed." Jesus declares: "I believe that mobilizations for the reserves are something the country needs so as to be always ready for defense, moreover, they are a decisive contribution to increasing the combat readiness of our units.

"This is understood by all our working class, that is why in any center you may visit you are going to find the same readiness to undertake the missions entrusted to us in production and in defense."

8908

CSO: 3010

CENTRAL ARMY TANK BATTALION MEMBERS INTERVIEWED

Havana VERDE OLIVO in Spanish 30 Nov 60 pp 7-9

[Article by Jesus Casal Guerra: "The Men of the Tank Battalion"]

[Text] Located in a part of the vast territory under the watchful eyes of the Central Army, wrapped in the modesty characteristic of all its men, immersed in the dynamism which means compliance with the new and most complex missions, this tank battalion lives and breathes, a simple but very potent piece within the machinery necessarily required by the defense of this soil.

The conversations of the soldiers, the same ones who have criss-crossed the firing ranges under sun and rain, the same ones who have made tatters out of the targets time and again, the same ones who in the parking areas, dormitories, recreational activities, or in moments of concern when facing an alert, maintain a smile on their lips, say more than anyone may think.

They, more than anyone, are the muscles and tendons of this body which vomits fire and shrapnel so that no invader may step on what is theirs, their parents' brothers' and their own children, who know about their tanker daddy and always wait for him at the door at home. That is why we must talk to them, to learn about their past, which is the present [as published].

The Commander Speaks of His Troop

Seventeen years of maneuvers with tanks have made of this officer, with his strong physical makeup, calm look and open gestures which denote cordiality toward all those around him, a genuine tanker, devoted entirely to learning his specialty.

Extremely frugal in speaking about himself, he is not capable of speaking about his two internationalist missions, his work as a commander, or of his successes as chief of the unit. He would rather speak about his men, who in combat posts "have always done the impossible to comply with everything they have been told to do."

The conversation flows and through it, we feel the respect that this veteran tanker feels for his soldiers, the affection for those "who without considering the difficulties that may present themselves, devote themselves to complying and complying;" the confidence he feels for those who in the thunder of action insure the complete success of the unit.

But it is when he begins to talk about what his troop has done that he is tireless. And one after the other he tells "of the missions these boys have accomplished; the interior order that has been achieved despite the particular situation of the unit; their discipline, and in short, their daily life and the results of the work of the battalion, results in which I believe they themselves were the greatest inspiration."

Everything Had Its Beginning

One day in 1979, the public address system ordered a formation. And the blonde Morffa, the tank gunner, Jose A. Morffa Samalanto, grabbed his cap and belt and thought: "I cannot fail to be there."

It was a gathering to inform them about the commitments made by the unit to honor the Second Party Congress. Although they were very great, Morffa already knew about them because they had been approved by his crew. The battalion, and with it each crew, proposed to achieve ratings of at least "good" during the training year. And that was not a matter of games.

That is why this young soldier, a technician, a graduate specializing in roads, who arrived at the unit around a year and a half ago as a loader, decided to give his all to achieve success in his individual commitments.

"I could not fail the battalion because they all considered me a good gunner. Then came individual firing and that of the entire crew. And we made scrapwood out of the targets, and my tank was ranked "ood" and the crew "good" and the company even better. And lead came and went...Well, that was very great."

Morffa, who now wears the Army Vanguard Award, is always talkative, happy, ready to resolve any problem that may present itself in his fighting machine, the dormitory or in the work of beautifying the unit.

When he speaks, he does it without thinking much about what he is going to say, sure of his opinions and the possibilities they have in handling the many things expected of them.

That is why we also asked him about incentives, since everything cannot be work and more work, we thought.

"There are no problems with matters of incentives here. If you are outstanding, do your duty, help to achieve the victories of the battalion, you will surely be rewarded. I myself, without having to go very far, have been given many additional passes so that I may go see my parents more often because they are always concerned about how one is doing his duty here.

"And believe me, that is good, that raises the morale of the people after a period of hard work."

The Consolidation of the Battalion

Days after the commitment, this group became fully involved in the theoretical and practical training tasks of the training year, until the day the program scheduled individual tank firing.

They moved to the firing range and the training continued there. Then came the time to fire the cannon and with it came the first ratings of "good."

As of that moment, the people felt more confident as to their possibilities. Enthusiasm increased; conversations centered around their capabilities in mass firing and their concern for emerging successful.

On arriving at the period scheduled for the crew, the targets were destroyed once more. And Morffa, always with a smile on his lips "incited the other gunners," and the other gunners responded with more targets destroyed, and the battalion was in the clouds as if it had taken off in flight never to land again.

This was the way the first steps were taken in a movement which became more radical day by day, class by class, shot by shot and had its culminating moment in the maneuver with 100 millimeters in which the unit won an "outstanding" in firing and "good" in tactical maneuvers.

But It Was Not Only The Tankers

When one arrives at a tank unit it is logical that one thinks of successes as a problem of the tankers only, however, there are other men, who without being in the fighting machines have much to do with insuring the missions to be accomplished by their comrades. Such could be the case of the drivers, service personnel or the mechanics.

That is why Jorge Luis Rodriguez Morera, although he first expresses his admiration for the tankers, does not feel left out of the victories won by his battalion. As the driver of a ZIL-131, he has also given much to the common cause despite the fact that he has never fired from a tank.

Morera graduated as a driver from courses in that specialty taught in the basic recruit school. Before entering the recruiting process, he worked as a mechanic's helper at the Colon School Transportation sub-base.

"I graduated from the course without many ideas about its importance, however, when I arrived at the unit, when I found out about the daily life of the battalion, I understood how beneficial it had been for me.

"The first missions came and I was trained and ready to perform them. I did lack experience but that came to me through the comrades who had more years than I at the specialty."

But while a tanker has responsibilities, a driver also has responsibilities. And that has been one of the fundamental missions for Morera.

"They care for and maintain their equipment. They are responsible for attacking the objectives of the enemy. Those are their responsibilities to the group. Mine, in addition to being another participant in combat actions, also require the care of equipment the revolution has placed in my hands. And I have devoted myself entirely to that to such a point that I have committed no violations of the rules nor have I had a single traffic accident. I believe that in this way I have also made my contribution."

Everyone Speaks About Lazaro Martinez

Lazaro Martinez Martinez is an example of the fighting spirit present in this battalion. As a member of the Union of Young Communists [UJC], he was faced with the need to serve in the FAR [Revolutionary Armed Forces] for 18 months. Lazaro did not have to think twice and entered the training regiment to receive training as a tank squadron chief.

"To tell the truth, I never thought about becoming a tanker, but that is the way life is. There are times when you are faced with things which leave no room for doubt as to a need. And, of course, as a revolutionary, one volunteers. That is what happened to me."

The grades of Lazaro Martinez during his training as tank squadron commander were good. Once graduated, he arrived at the unit one day with everything required by regulations, to begin his new functions as chief of a small unit.

"Shortly afterward, the comrades at headquarters called me to tell me that it was necessary that I remain with them, that I waive the 18-month period. I did not have to be convinced. In their words one could note the evaluation they had made of my work as a young officer and I was in no position to disappoint them."

It was then that Sublieutenant Lazaro Martinez Martinez presented himself to the personnel chief of the command to request documentation so that he could remain permanently with the tank battalion.

"I had been impressed by the work with the men, with the human relations existing between commanders and soldiers, the discipline that could be felt in the unit, and above all, the results we were obtaining in performing our missions. That is why I decided to remain with the rest of my comrades for whatever time it is necessary."

That Which Cannot Be Considered The End

More than a week ago, at the place where the trophies of the battalion are kept, there is a new banner which represents the effort made by this group of men during the 1979-1980 year.

Red as the blood of the sacrifice of those who fell in the defense of our soil, like the color of the bright future, there hangs on the mast the "Grito de Yara" banner, which the MINFAR [Ministry of the Revolutionary Armed Forces] awards to the vanguard battalions of the FAR.

It is in the possession of this tank battalion, which as its members say, is prepared to continue along the path of even greater victories.

It represents the excellent results attained in combat firing, in the knowledge of tactics, the status of equipment and weapons, general training, and, particularly, that of each soldier.

The chief of the battalion has removed it from its place so that we can see it. Our admiration for this group is redoubled. In the young soldiers, who are also looking at it, can be seen the joy because of what it represents and the new commitment which is already felt.

8908

CSO: 3010

CHIEF OF STAFF NOTES PROFESSIONALISM IN MILITARY

Santo Domingo LISTIN DIARIO in Spanish 1 Dec 80 p 8C

[Article by Disraeli Guillen]

[Excerpt] The army chief of staff has asserted that the institutionalization and the nonpartisanship achieved by President Antonio Guzman in the Armed Forces "have undeniably charted a course along which the unrepentant banners of caudillos no longer stream and the factions that ignore duty have not set up shop."

Maj Gen Ramiro Matos Gonzalez said that the malignant dregs of factionalism have been swept out of the Armed Forces, so that they can act as a single man, as a single soldier, led by commanders who in imitation of their ancestral leaders are now beginning to hoist the banners of a devotion to service above personal interests.

"Thanks to the loyalty instilled by our president, we can assert that we in the military will never allow factional caudillos and bosses to again take over our spirit of duty and to divert our efforts, which have been so worthily upheld over several centuries of history," Matos Gonzalez stated.

The ranking officer delivered his speech at the reception that the army chief of staff's office gave for President Antonio Guzman and his wife, Mrs Renee Klang de Guzman, to mark the culmination of "Army Day" celebrations. The event was staged at the Armed Forces Officers Recreation Club.

Matos Gonzalez indicated that "the arrogance and the insolent pennant of discord that mediocre minds once unfurled are dead and buried." And he added:

"Our horizon is now marked by a promising dawn of professionalism that will crown our heroic bugles, a professionalism that admits no steps backwards or stubborn faces looking to the past, recalling miseries that have been overcome. We need men who follow higher guidelines and overcome adversity by hard work, faith in their country and a devotion to the unswerving principles of duty, excellence and professional ability."

Matos Gonzalez told President Guzman of "the indomitable loyalty of the Armed Forces towards the constitutional government," stating that: "Our loyalty is far superior to other loyalties, not only because it stems from open gratitude but also because it emerges from our ranks and is an oath decreed by the inexorable voice of history, and as legitimate children of this supreme tribunal of the people, we are loyal followers of their immutable desires," the ranking officer stated.

8743

CSO: 3010

MILITARY URGED TO REMAIN ABOVE POLITICS

Santo Domingo EL NACIONAL in Spanish 25 Nov 80 p 3

[Article by Joaquin Suero]

[Text] San Isidro, 25 Nov The director general of military training, Col Hector Valenzuela Alcantara, speaking in the presence of President Antonio Guzman, made an impassioned plea to members of the Armed Forces and National Police to "reject any harmful attempt by those seeking to revive factionalism."

The ranking officer called on the commissioned and noncommissioned officers to "ignore everything aimed at undermining the morale, unity and integrity of our institutions."

Col Valenzuela Alcantara made his plea in the speech that he delivered yesterday in the assembly room of the Directorate General of Military Training at the graduation of officers and enlisted men from various training courses.

President Antonio Guzman, who was accompanied by the secretary of state for the Armed Forces, Lt Gen Mario Imbert MacGregor, the chiefs of staff of the Armed Forces branches and the administrative secretary of the presidency, Jose Maria Hernandez, handed out the diplomas to the graduates.

In all, 52 officers and 129 enlisted men from the Armed Forces and the National Police received their certificates.

Their instruction included a command and staff course; an intermediate infantry course for officers; a basic infantry course for officers; a basic infantry course for sergeants; a basic infantry course for corporals; a course in basic health care techniques; an administration course; a course in radio communications and operations and an intelligence and counter-intelligence auxiliaries course for enlisted men.

Col Valenzuela Alcantara said in his speech that factionalism has been eliminated from the military institutions and he called on the troops "to maintain unswerving loyalty."

He added that loyalty must not just "be the spoken word expressing the sincere feelings of recognition that we have for our superiors and reaffirming our

respect for the country's constitution and laws; it is also our duty to constantly improve ourselves to serve our homeland."

The colonel went on to say that service to the country ought to be rendered with optimum efficiency and with a spirit of progress, "a course of conduct that brings us close to the level of the ideal servant that the leadership bodies of the Dominican Armed Forces aspire to."

The acknowledgement speech was delivered on behalf of the graduates by Maj Jose Ramon Garcia y Garcia, from the National Police.

In conclusion, a toast was offered in the graduates' honor.

8743

CSO: 3010

TORTURE IN COUNTRY DISCUSSED AT CONFERENCE

Santo Domingo EL NACIONAL in Spanish 24 Nov 80 p 16

[Article by Joaquin Suero]

[Text] Reporting to the First National Seminar on Torture, which closed yesterday in the Medical Sciences Assembly Hall of the Autonomous University of Santo Domingo, a doctor, a newsmen and a politician agreed that torture is still practiced in the country.

Dr Eliseo London Sanchez, the president of the Dominican Medical Association, felt that the absence of medical care or poor medical care represent an indirect form of "torture that is still practiced in Dominican jails."

He clarified that this form of torture is practiced without any political motivations but that it is in keeping with the view that prisoners have no human rights, "including the right to health care."

Leftist leader Rafael (Papa) Taveras analyzed the conditions in which workers lived under the capitalist system and, in particular under the previous regime of former President Joaquin Balaguer, concluding that "torture has not run its course in our country."

Papa Taveras added that "the levels of exploitation that this capitalist system is imposing are, however, prompting mounting protests that wind up as growing confrontation throughout the state's political structure."

The leftist leader felt that this situation "leads me to state that as long as the people's major socioeconomic problems are not resolved, as long as capitalist exploitation is not abolished, we will be witnessing the genocide of the working class, as a result of the overexploitation it is undergoing."

He went on to say that "therefore, torture can be halted in our country only through a growing mass struggle that asserts political freedom, and the death certificate of torture can be written out only with the death of capitalism."

Journalist Jose Rafael Bosa stated that "during the 1978-1980 period, the term of office of Mr Silvestre Antonio Guzman Fernandez, torture and cruel, inhuman and degrading treatment and punishments have been practiced."

Nevertheless, Bosa said that we must acknowledge that torture has ceased to be a systematic practice applied to political prisoners.

He also felt that torture is no longer practiced "because public opinion precludes such inhuman behavior on the part of authorities, basically because these officials are certain that they would be reported."

8743

CSO: 3010

GOVERNMENT JUNTA ADDRESSES CATTLEMEN, LISTENS TO PROBLEMS

Managua LA PRENSA in Spanish 30 Nov 80 pp 1, 12

[Text] The "Facing the People" Program that took place on the evening of Friday the 28th at "La Subasta" was a straightforward and open dialog between Nicaraguan cattlemen and the Government Junta.

In an atmosphere of frank democracy, the cattlemen outlined the problems affecting them and voiced their complaints, ranging from demands for personal security to their questioning of taxes, borrowing systems, the shortages of basic products, smuggling and, finally, the Nicaraguan diet, which is known colloquially as "the cream of the crop."

The cattlemen and the government authorities agreed on many points, including a search for ways to resolve problems.

Juan Manuel Caldera, from the Managua Cattlemen's Association, voiced concerns that met with immediate responses both from Dr Arturo Cruz and Commander Daniel Ortega Saavedra.

Caldera Calls For Guarantees

Juan Manuel Caldera, a member of the Association of Brahma Cattle Farms, had this to say:

"As you have been saying, this is a quite clear demonstration of our work-related determination to overcome all our difficulties, as our commanders have said. But there are serious problems.

"These problems are:

"One: personal security. We are here; those who are going have already left.

"We are here to work, but we want guarantees for doing it. (Applause)

"We want to know that we are not going to wind up like Jorge Salazar.

"Because...we do not want to kick the government out; rather, we want to work shoulder to shoulder with you."

We Want the Facts

"We are concerned about something else," Juan Manuel Caldera went on to say, "and this is my second question. There has been talk of loans and the many things that are going to get done, as Dr Cruz mentioned, but even if they are not pleasant, what we want are the facts.

"Our export quota was not filled, gentlemen.

"It was envisaged under Plan 80, but based on the little that I know, we are giving up \$13 million dollars.

"We need to stimulate production, and this can be done only on the basis of economic incentives and on the basis of the taxes that have been levied without the cattlemen's trade union having been consulted, because we have never been taken into account."

A Country of Privileges

"I repeat that we want to work. Give us the opportunity to do so, because we are capable of producing. Nicaragua is large and has everything that Central America does not.

"Nicaragua has more cattle than the entire isthmus. It is one of the few countries in the world in which 60 percent of the national territory can be turned into grazing land.

"Let us make use of this blessed homeland called Nicaragua."

All Should Get Involved

Responding to Mr Juan Manuel Caldera's comments and views was Commander Daniel Ortega, a member of the Government Junta, who made the following remarks:

"We want to take this opportunity to reaffirm the decision that the Directorate of the Sandinist National Liberation Front made unilaterally before our victory, back around 1977, when the October offensive was on the way, when the group of 'The Twelve' emerged, the decision to guarantee the involvement of businessmen, merchants, etc, not only in the struggle against the dictatorship but also in the future revolutionary undertaking.

"When the Sandinist Front called on Mr Alfonso Robelo and Mrs Violeta Barrios de Chamorro to join in setting up the National Reconstruction Government Junta, it also did so unilaterally, without any sort of pressure, without having any sort of pact with the MDN [Nicaraguan Democratic Movement] or any business group.

"The decision was made in accordance with a political analysis, and it was a patriotic decision to bring all economic, social and political sectors that

had not been seriously committed to the Somoza dictatorship into the country's future reconstruction.

"Thus, the Sandinist Front's decision, which the Government Reconstruction Junta has complied with, is something that endures.

"We think that that is the Nicaraguan Revolution's great contribution to Latin America and the world."

A Revolution That Does Not Sweep Others Away

Ortega went on to say that "this is a revolution that does not sweep away the other social and economic sectors; instead, it seeks to integrate them to benefit the historically underprivileged sectors.

"The point is to join forces, not to exclude some; not, however, to strengthen a specific group but to strengthen the entire country, to strengthen the nation, to strengthen the workers, to strengthen the Nicaraguan people.

"So then, this decision is still one of principle for the Sandinist Front. What is at stake here is its political and leadership capabilities."

Failure

He then stated: "If for 'x' or 'y' reason the revolution is ever forced to shut down and sweep away the businessmen, merchants or major cattlemen, well, simply our undertaking will have failed.

"Or if the revolution were to turn to the right, the undertaking would also be a failure.

"Thus, our challenge is to develop a process in which all social, political and economic sectors can take part."

The Salazar Affair

"Now then," Commander Ortega argued, "logically, as long as the Nicaraguans who remain in the country do not conspire against the revolutionary people's government, they have nothing to fear, but we feel that mention of Mr Salazar is out of place, because as long as he did not conspire against our revolution, as long as Mr Salazar did not engage in attacks on our revolution, he had every guarantee.

"But a person who begins conspiring simply places himself on the opposite path, drifting away from the revolution's possible proposals.

"He places himself on opposing ground to fire at the revolution, to destroy it and to try and impose his own solutions.

"In that case, the situation is different. So, there are and will continue to be guarantees here, because the Sandinist Front's ability to lead is at stake."

Guarantees for All

"We will give guarantees to all Nicaraguans who are willing to take part in the country's reconstruction, regardless of resources, be they many or few.

"But...there can be no guarantees for those Nicaraguans who conspire against the revolution, whether they are millionaires or poor, because there are also counterrevolutionaries of humble extraction, and the responsibility here is not, logically, only the Sandinist Front's.

"We are going to fight. We are trying to make this undertaking possible, because it has created expectations in Latin America, it has created expectations throughout the world, and there are those who would like to see Nicaragua's private sector disappear, who would like to see businessmen, merchants and cattlemen disappear, so that they can say, well, the Nicaraguan revolutionary undertaking is not possible. That is why we are determined to keep the undertaking going, and it will be kept going to the extent that you too help as much as you can."

Grassroots Pressure

Ortega asserted: "To the extent that we bolster production, which is a key point, we are going to lessen the social pressures on us, because there are social pressures here. We are not going to deny it.

"Although it is true that the economic situation of cattlemen and growers here is being hard hit, they do have certain resources and certain defenses.

"Imagine the situation of rural and city workers. They are in more difficult straits because they are also suffering the impact of an economy that is being battered by the domestic and world economic situation."

8743

CSO: 3010

CSN DOCUMENT OUTLINES ORGANIZATION'S STRUCTURE, PRINCIPLES

Managua BARRICADA in Spanish 3 Dec 80 p 4

[Text] It is with the greatest satisfaction that BARRICADA, the newspaper of the Nicaraguan people's revolutionary vanguard, offers all its readers, especially the hundreds of thousands of workers and peasants, this historic document, which reflects the loftiest achievements made to date in connection with working class unity.

This document, which explains the nature of the Labor Union Coordinator of Nicaragua [CSN], its basic principles, its battle plan and its bylaws, must henceforth become a guide for unified labor union action, aimed at intensifying the workers' class unity. We issue a fraternal appeal for its extensive dissemination by means of posted notices in all work centers, schools, state institutions and peasant districts. Let there be no Nicaraguan who is unfamiliar with this historic step to unify the driving forces of the revolution. We also await information concerning the results of the workers' discussions of this matter, and their comments; our pages are available for this purpose.

I. What the Labor Union Coordinator of Nicaragua Is

The Labor Union Coordinator of Nicaragua is the voluntary union of the following labor federations and organizations:

- a. Confederation of Labor Union Action and Unity (CAUS)
- b. Federation of Health Workers (FETSALUD)
- c. Union of Nicaraguan Journalists (UPN)
- d. Agricultural Workers Association (ATC)
- e. National Association of Nicaraguan Teachers (ANDEN)
- f. Confederation for Labor Unification (CUS)
- g. Workers Front (FO)
- h. General Labor Confederation (Independent) (CGTi)
- i. Sandinist Workers Federation (CST)

The Labor Union Coordinator of Nicaragua has been established for the purpose of developing in our country united action among the labor organizations, as a process that should and must lead, step by step, to the most deep-seated revolutionary unification of our labor movement, which will make it progress toward more compact forms of unity, and which will lend it all the strength that it needs for national reconstruction and for making the conquest of its most cherished class aspirations a reality.

The labor organizations comprising the Labor Union Coordinator of Nicaragua include and organize all workers, both men and women, manual and intellectual, into a union, regardless of their race, political or religious convictions, or their varied trades occupations and special fields of endeavor, who voluntarily join its ranks through their unions or rank and file organizations.

The Labor Union Coordinator of Nicaragua respects the ideological and political concepts held by the leaders and rank and file of the unions and federations that comprise it; but, although it upholds the principle of freedom of thought and speech, it rejects for its policy all theories and positions that are incompatible with the interests of the working class and the process of revolutionary change in our country. Also, it does not tolerate ambitions for supremacy among its members, in the interests of the perpetuation of democracy and brotherhood in its ranks, and the development of unity among the organizations which comprise it.

CSN [Labor Union Coordinator of Nicaragua] coordinates, advises and backs all the labor federations and organizations affiliated with it for the general performance of their overall tasks, in accordance with the role that is incumbent on it during this phase of the country's national reconstruction.

II. Basic Principles of the Labor Union Coordinator of Nicaragua (CSN)

1. CSN will cooperate with the member federations to unite and mobilize the laborers and workers in general for performing all the tasks that we have set for ourselves under the revolutionary banners of the working class, to defeat and isolate from the masses the forces of imperialism, the native oligarchy and the bourgeois parties.
2. CSN upholds the principle of the firm unity of the working class and the poor peasants, recognizing these forces as the driving forces of the Sandinist Popular Revolution.
3. CSN will act to bring about the consolidation of the working class and the development of its supreme role in the political, economic and social changes that we are pursuing, and in the battle to intensify the Sandinist Popular Revolution.
4. CSN, in accordance with the principles of the workers' right to freely elect their leaders and to revoke their mandates when they are remiss in their duties, is promoting collective, democratic discussion of issues, and the use of criticism and self-criticism as a means of correcting the shortcomings and eliminating the mistakes, flaws and weaknesses in the discharge of their functions.
5. CSN is not part of the state apparatus; it has its own leadership as a broad organization of the workers.
6. CSN is not an organization of any political party. Affiliated with it are the labor federations and national organizations with equal rights and obligations, regardless of their political orientation.
7. CSN strives for the unity of the working class in a Single Workers Federation, which responds to the historic tasks of the labor movement.

8. CSN upholds the principle of proletarian solidarity and the cooperation of workers from all countries in their struggle for national liberation and for the social progress of their peoples.

9. The Labor Union Coordinator of Nicaragua makes note of its firm support for the National Reconstruction Government Junta, and its resolute backing for the revolutionary leadership of the Sandinist National Liberation Front.

III. CSN's Battle Plan

1. To support, fortify and defend the Sandinist Popular Revolution, the national sovereignty and the self-determination of our people from the attacks of the native and foreign reactionaries, and from the dangers of internal counterrevolution or imperialist intervention in any of the forms in which it appears.

2. To strive consistently and zealously on behalf of a constant increase in production and productivity, and the fulfillment of the goals of national reconstruction.

3. To give an impetus for greater participation by the workers in the Sandinist Popular Militias, under the leadership of the Sandinist Popular Army (EPS), so as to give the laborers and workers martial skills so that they too may militarily defend the revolution and its progress.

4. To strive for the preparation of a new wage scale based on the country's economic situation, a measure intended to benefit the workers who earn the lowest wages, and, at the same time, to adopt effective measures for curbing speculation.

5. To protect the workers' rights, and to strive to improve their living and working conditions. For these purposes, to strive to meet the social and labor requirements that will make it possible to raise their real wages.

6. To counter the inconsistent positions calling for indiscriminate wage hikes which only hurt the real interests of the working class in general, and which are obstacles to the process of the country's economic reconstruction.

7. The solution to every labor dispute or problem should first be attempted without resorting to a stoppage of work. This by no means represents a renunciation of the right to strike, but what we want is to assert that strikes should be the last resort of the workers, and that all expedients should be exhausted before resorting to them; because every work stoppage undermines production and interferes with the fulfillment of the plans and programs of the Government of National Reconstruction and the strategic design of our Sandinist Popular Revolution.

8. To work and cooperate for the revision of the Labor Code, so that it will befit the country's revolutionary status.

9. To battle against bureaucratism, abuse of authority, negligence and waste in the state enterprises.

10. To make a constructive, revolutionary contribution to the improvement of the state administration and to the greater success of its activity.

11. To strive to prevent the flight of capital and damage to production in the private business firms.

12. To strive for the fulfillment of the economic reactivation program for the people's benefit, and for the workers' active participation in the economic management of each business firm.

13. To arrive at, and fulfill the collective work contracts in all business firms, as a principal means of establishing the workers' rights and duties.

14. To strive for the fulfillment of the labor legislation and the administration's obligations toward the workers.

15. To strive for the implementation of the occupational safety and health measures, in order to preserve the health and lives of the workers.

16. To heed the complaints, criticism and suggestions of the workers, and to help them, insofar as is possible and fair, to resolve the problems cited therein.

17. To accept and encourage the workers' proposals that are useful to the development of the economy.

18. To foster and cooperate in the development of sports, recreation, leisure time activity and culture among the workers.

19. To organize volunteer work as a contribution from the workers to the economy, and as a reflection of a new revolutionary attitude toward work.

20. To continue enhancing the political and ideological education of the workers.

21. To attend to and develop the workers' technical self-improvement.

22. To constantly raise the workers' labor consciousness, most particularly through the intensification of work discipline. For this purpose, there will be promotion of:

- a. Daily punctual attendance at work
- b. Maximum utilization of the work day
- c. Increased production with the required quality
- d. Constantly increased work productivity
- e. Respect and care for the people's property
- f. Savings of raw and other materials, fuel, electricity and water
- g. Efficient maintenance of equipment and machinery

This will be applicable to private business firms.

23. To give an impetus to the development of our economy and the social progress of our people, we shall strive to:

- a. Promote the opening of the discussion aimed at promulgating an intensely democratic, antifeudal, antioligarchical and anti-imperialist agrarian reform, that will

serve as an essential foundation for the development of our productive forces, of the national economy and of the social progress of the peasants and the entire Nicaraguan people.

b. Retrieve all our natural and national resources.

c. Achieve the agricultural-livestock and industrial development of Nicaragua based on the maximum utilization of its own natural resources and its own raw materials.

IV. Bylaws of CSN

1. Concerning the CSN's decisions.

a. The decisions that are made within the Labor Union Coordinator of Nicaragua will be arrived at through consensus; in other words, resolutions will always be reached unanimously.

b. Every matter to be resolved will be discussed previously, but it will be allowed to discuss documents prepared earlier, provided they are sent to each federation 4 days beforehand.

2. The relations among the various entities affiliated with the Coordinator will be marked by mutual respect, and democratic standards will at all times prevail over any position of supremacy.

3. Public statements made on behalf of CNS:

Public statements on behalf of CSN may be made only on the basis of decisions reached by the Executive Committee. However, its members, as representatives of their respective organizations and at all times on behalf of the latter, are at liberty to make public statements regarding the work of their organization in CSN.

V. Leadership Organs of the Labor Union Coordinator of Nicaragua

1. The National Labor Union Assembly of CSN

The superior organ of CSN will be the National Labor Union Assembly, which will be comprised of the national executive committees of the labor union organizations which are its members (with a number of leaders not to exceed seven for each organization), five general secretaries of departmental committees of each organization, and general secretaries of rank and file unions, according to the notice agreed upon by the CSN Executive Committee, which will determine proportionately the number of workers affiliated with each organization. An attempt will be made to have the attending unions be the largest in the economic area that they represent, and based on the number of their members.

The National Labor Union Assembly will meet regularly every 6 months, and in special session at the decision of the CSN Executive Committee

The National Labor Union Assembly will devise the work line to be carried out by the unions in the same manner as was used by the First Assembly for Unity of the Carlos Fonseca Workers; and it will be informed of, and evaluate the work done by CSN during the period between assemblies.

2. The National Council of CSN

The National Council of CSN is the meeting of all members of the National Executive Committees of the labor union organizations which comprise it (with a number of leaders not to exceed seven for each organization).

The National Council of CSN will convene regularly every 3 months, and in special session at the decision of the National Executive Committee.

At its meetings, the National Council will analyze the fulfillment of the decisions of the National Assembly, and will recognize the measures that should be taken for the total success of the established plans.

The National Council will be the top-ranking entity of CSN leadership between one National Labor Union Assembly and another.

3. The National Executive Committee of CSN

The National Executive Committee of CSN consists of the general secretaries of the labor union organizations, or their standing delegate, plus one alternate with equal decisionmaking authority who is a member thereof.

The members of the National Executive Committee will elect a coordinator and a deputy coordinator, who will discharge the functions of a secretary. They will be responsible for overseeing and coordinating the work of this Executive Committee for a period of 6 months, duties which will be rotated among all its members.

The National Executive Committee will meet regularly once a week, and in special session when the coordinator and deputy coordinator so stipulate, or at the request of any of its members, conveyed through the coordinator.

To back and aid the work of the National Executive Committee, the following working commissions will be created:

- a. Commission for Organization and Finance
- b. Commission for Labor and Social Affairs
- c. Commission for Production and Volunteer Work

These commissions will consist of the members of the executive committees of the organizations comprising CSN (one for each organization) and participating in the National Council.

The Executive Committee of CSN may establish other working commissions, as it deems fitting and necessary for the performance of the tasks.

The coordinator, in agreement with the deputy coordinator, will send to each member of the Executive Committee the agenda for the meeting 48 hours in advance of the date set. All members of the Executive Committee are entitled to request a discussion of any aspect of the agenda, notifying the coordinator thereof 4 days prior to the meeting.

The coordinator and deputy coordinator are responsible for sending the minutes of the Executive Committee meeting to all its members within a period of 48 hours following the meeting.

4. Official Publication of CSN

Periodically, a CSN publication will be put out, which will be its official organ. Each issue will contain reports on the activities carried out and the work that must be done at the time. It will also print articles about the different organizations that comprise CSN which will intensify the workers' unity, within the context of the decisions that have been made.

5. CSN in the Departments

CSN Departmental Executive Committees will be formed in the departments in a manner similar to that of the organ of national leadership, to establish the mechanisms necessary for the continuity and fulfillment of the CSN's decisions.

For this purpose, each month a meeting will be held between the National Executive Committee and the general secretaries of the Departmental Committees of the organizations comprising CSN, to coordinate and pool the efforts for common action to execute the decisions emanating from the national entities and all the proposals that may arise on that level, to intensify the unity of the workers around the defense and consolidation of the Sandinist Popular Revolution.

Allan Zambrana
Confederation of Labor Union Action and Unity

Leonte Canales
Federation of Health Workers

Onofre Guevara
Union of Nicaraguan Journalists

Francisco Lopez
Agricultural Workers Association

Bruno Gallardo P.
National Association of Nicaraguan Teachers

Jose Espinoza
Confederation for Labor Unification

Isidro Tellez
Workers Front

Alejandro Solorzano
General Labor Confederation

Ivan Garcia
Sandinist Workers Federation
Managua, 1 December 1980.

2909

CSO: 3010

VENDORS ASK 'LA PRENSA' TO HELP INVESTIGATE COMPLAINTS

Managua LA PRENSA in Spanish 29 Nov 80 pp 1, 12

[Text] On an invitation from APOCROBAMA, the association of Oriental Market vendors, journalist Pedro Joaquin Chamorro Barrios held a lively dialog with more than 200 small merchants on Thursday evening.

Speaking colloquially, the market vendors shared their concerns and problems with Chamorro in a brotherly discussion after hearing a short talk on freedom of expression that they requested of the newsmen.

Chamorro Barrios mentioned the decrees issued by the Government Junta that restrict freedom of the press in Nicaragua, as well as the predominance of the partisan media aligned with the Sandinist Party.

Continual Harassment

"As independent media," he pointed out, "we have been continually harassed by all of the official media in an ongoing campaign of slander and insults."

In their questions the Oriental merchants expressed their concerns over problems such as Nicaragua's international image, restrictions on freedom of the press and the withdrawal of several political parties and union representatives from the Council of State.

But the market vendors expressed their main concerns spontaneously.

"We can't put up with the CDS [Sandinist Defense Committees]," said one of the women at Oriental in speaking out against the inexplicable attitude of the coordinator of the 'Luis Alfonso Velasquez' block, who accused them of being reactionary because they did not attend the front's latest demonstration.

"You're Robelo backers," he told them. "Why don't you ask Robelo for rice and corn." He then threatened to kick them out of the market under the "laws" of the intendancy.

"What can we do about the CDS? The entire market can't stand it," she said. Chamorro Barrios told them in reply that only by protesting could they bring out these irregularities, which most of the people are against.

Another Headache

The second "big headache" of the market people is the creation of the wholesale and retail markets, of which they have heard no further news. Most of them cannot afford a new spot in the market under construction and do not want to leave their children with strangers while they are at work, which they have been told will be the case when the new facilities are opened.

"LA PRENSA, which is the people's mouthpiece," said one of the vendors, "ought to investigate what this market is going to be like." He underscored his concerns over the future of the vendors, pushcart vendors, drivers and other people who work at the market and who live "from day to day" because they have no money. "What is going to happen to these people who have neither stalls nor stores, the poorest people of them all?" he asked.

Investigative Efforts

Chamorro promised that LA PRENSA would conduct a journalistic investigation into the plans for the wholesale market, its positive as well as its negative aspects.

The problem of a Villa Venezuela CDS that wants to remove several teachers from a school was brought up by another woman vendor, who spoke out against this further example of an improper course of conduct by people who are not Education Ministry authorities.

The Masses

"We were comrades-in-arms with Pedro Joaquin Chamorro during a time when we were persecuted by eavesdroppers and the civil reservists of the Somozist guard. But they never told us because we were against them, they were going to stop us from being merchants or doing any sort of work, as is happening today with all these people who claim to be the eyes, ears and who knows what else of the government," said the merchant, who was interrupted on several occasions by outbursts of applause.

Recalling how the entire market took to the streets on several occasions to defend LA PRENSA throughout the years of the dictatorship when the paper was threatened for championing the people, the impromptu speaker said: "And today they treat us like counterrevolutionaries, as if we were big Somozists during those days.

"If we don't do what they want, these masses say that we can't work. Well, these people just don't know God or they don't know that He provides these supplies so that man can have the strength to live with his entire family...We are not counterrevolutionaries. We are with the revolution. Asking for the right to work is not being counterrevolutionary," he pointed out in conclusion as he was interrupted by applause.

Not for Loafers

"I am definitely in complete agreement with you that asking for the right to work is revolutionary and that taking the right to work away is counter-revolutionary," replied Chamorro, adding that the revolution is not for loafers; it is for hardworking people like the workers at the market, who perform an extremely important social function with the sweat of their labor.

Another vendor complained about a woman CDS coordinator who uses the market stall leasing cards to claim sugar shipments and then resells them to the vendors through a middleman at a higher price, as well as other similar problems.

In several other comments the vendors defended their right to belong to the associations that they want to join and not to join the ones that they do not want to be members of. They also complained that several CDS members carry weapons and commit many injustices in showing off their power.

In addition, on several occasions they demonstrated in support of LA PRENSA, which they called "the only paper of the people." One of the last questions was why a paper with what they regarded as "light circulation" had taken over what had always been LA PRENSA's motto, "the paper of Nicaraguans." Chamorro Barrios' answer to them was that the Nicaraguan people themselves conferred this title every day with their acceptance of LA PRENSA, which they preferred to the other papers, which can take whatever title they please because no one can deny them the right to fool themselves.

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CSO: 3010

EDITORIAL URGES 'HIGHER' PROFILE IN EL SALVADOR

Caracas EL DIARIO DE CARACAS in Spanish 14 Dec 80 p 6

[Editorial: "El Salvador, Washington and Caracas"]

[Text] El Salvador is on the threshold of a new period of upheaval wherein the mere fact of having appointed a civilian president (in this instance, Napoleon Duarte) is not necessarily of critical importance.

The United States and its discouraged government is belatedly applying the resources of power and a measure of economic and military assistance to establish civilian preeminence in the Government Junta. Many may now wonder about the force of the principle of non-intervention, and others may justify the United States' decision by claiming that it benefits the establishment of democracy in that country. The wisdom of Washington's decision to impose stringent conditions on its position toward the Salvadoran regime will be ascertained only as events transpire.

The latter, in turn, are subject internally to the willingness of the leftist belligerent forces to accept the new reality of cooperating with the Christian Democrat, Napoleon Duarte; and the terrorism of the right and the attitude of the Salvadoran Armed Forces in the new political scheme remain to be seen. In the final analysis, it will now depend on Napoleon Duarte to arrive at the truce that will enable the country to recover from the bloodshed and to break the cycle of violence in that nation.

The prognostications for Duarte's success tend to be skeptical. The left is preparing its "final offensive," and will announce a parallel cabinet, attempting to gain international backing and recognition, on the basis of the precedent set by the Sandinist Front in Nicaragua. In view of this prospect, Duarte will have to have very strong support, both internal and external, if the effort at pacification which now seems so difficult and far removed is to be expected of him.

For Venezuela in particular, the situation poses the dilemma of openly assisting a regime headed by Duarte. This would probably entail criticism from the opposition of the politicization of the assistance, and would create internal problems. In the event that it were to maintain the low profile that currently typifies Venezuela's presence in El Salvador, Venezuela would run the risk of losing the historic opportunity to "consolidate and uphold democracy on the continent." Jimmy Carter's government, in its final month, does not have much to lose in the Salvadoran predicament.

From Venezuela's standpoint, however, the political and social development in that country is fundamental, and its success or failure could well have an effect on the next 2 years of government of the administration of President Luis Herrera Campins. It is a decision which cannot be postponed.

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